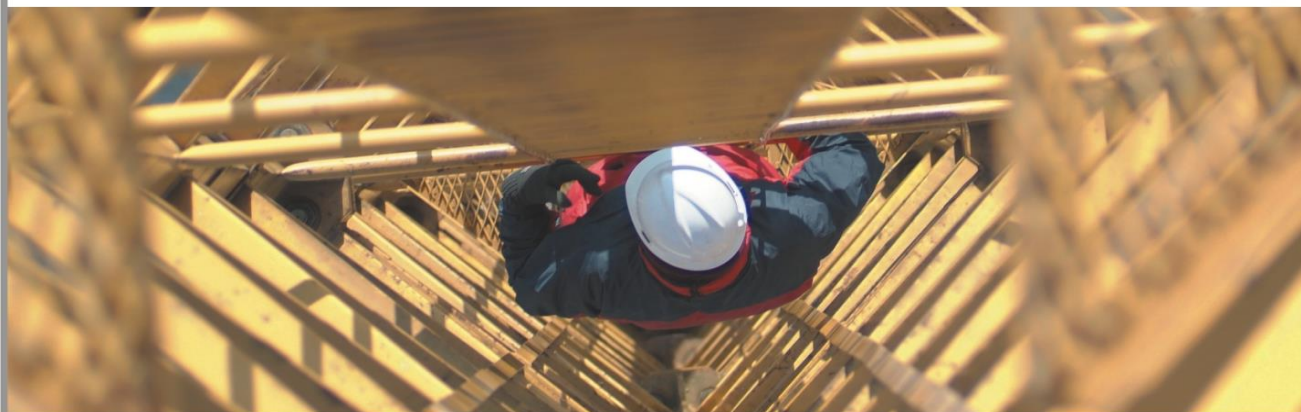


# inpro



**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR NINE MONTHS ENDED ON 30 SEPTEMBER 2014,  
MADE IN CONFORMITY WITH THE INTERNATIONAL  
ACCOUNTING STANDARD 34 INTERIM FINANCIAL  
REPORTING**

spółka  
notowana na  
**GPW**

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*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

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Piotr Stefaniak President of the Management Board	Krzysztof Maraszek Vice - President of the Management Board	Zbigniew Lewiński Vice - President of the Management Board	Elżbieta Marks The person responsible for keeping the books

Gdańsk, 14/11/2014 r.

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**SELECTED FINANCIAL DATA – CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

<b>Selected data concerning the consolidated financial statements of the INPRO SA Capital Group</b>				
	<b>01/01/2014</b>	<b>01/01/2013</b>	<b>01/01/2014</b>	<b>01/01/2013</b>
	-	-	-	-
	<b>30/09/2014</b>	<b>30/09/2013</b>	<b>30/09/2014</b>	<b>30/09/2013</b>
	<b>PLN '000</b>		<b>EUR '000</b>	
Net sales revenues	93 691	110 405	22 413	26 143
Gross profit (loss) on sales	20 317	24 889	4 860	5 893
Profit (loss) on operating activities	5 311	11 544	1 271	2 734
Gross profit (loss)	3 562	10 861	852	2 572
Net profit (loss)	2 794	8 584	668	2 033
- attributable to non-controlling shareholders	368	2	88	1
Earnings (loss) per share in the parent entity (PLN/EUR)	0,0606	0,2143	0,0145	0,0508
Net cash flows from operating activities	11 046	(305)	2 642	(72)
Net cash flows from investing activities	(5 690)	(30 023)	(1 361)	(7 109)
Net cash flows from financing activities	13 493	32 731	3 228	7 750
Net cash flows	18 849	2 403	4 509	569
	<b>30/09/2014</b>	<b>31/12/2013</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
	<b>PLN '000</b>		<b>EUR '000</b>	
Total assets	365 478	322 614	87 529	77 791
Liabilities and provisions for liabilities	163 829	119 502	39 236	28 815
Provisions for liabilities	1 475	2 720	353	656
Long-term liabilities	48 775	62 116	11 681	14 978
Short-term liabilities	113 579	54 666	27 201	13 182
Equity	201 649	203 112	48 294	48 976
- attributable to non-controlling shareholders	10 412	10 259	2 494	2 474
Number of shares (pcs)	40 040 000	40 040 000	40 040 000	40 040 000
Book value per share (in PLN/EUR)	5,0362	5,0727	1,2061	1,2232
<b>ZLOTY TO EURO CONVERSION RATE</b>	<b>average EUR rate in the period 01/01/2014 - 30/09/2014</b>		<b>average EUR rate as at 30/09/2014</b>	
	4,1803		4,1755	
	<b>average EUR rate in the period 01/01/2013 - 30/09/2013</b>		<b>average EUR rate as at 31/12/2013</b>	
	4,2231		4,1472	

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**SELECTED FINANCIAL DATA – CONDENSED SEPARATE STATEMENTS**

<b>Selected data concerning the financial statements of the INPRO SA</b>				
	<b>01/01/2014</b>	<b>01/01/2013</b>	<b>01/01/2014</b>	<b>01/01/2013</b>
	-	-	-	-
	<b>30/09/2014</b>	<b>30/09/2013</b>	<b>30/09/2014</b>	<b>30/09/2013</b>
	<b>PLN '000</b>		<b>EUR '000</b>	
Net sales revenues	59 118	127 107	14 142	30 098
Gross profit (loss) on sales	8 968	22 873	2 145	5 416
Profit (loss) on operating activities	1 262	14 208	302	3 364
Gross profit (loss)	1 765	14 703	422	3 482
Net profit (loss)	1 480	12 045	354	2 852
- attributable to non-controlling shareholders	0,0370	0,3008	0,0088	0,0712
Net cash flows from operating activities	4 683	(8 103)	1 120	(1 919)
Net cash flows from investing activities	(12 309)	(15 208)	(2 945)	(3 601)
Net cash flows from financing activities	18 451	28 731	4 414	6 803
Net cash flows	10 825	5 420	2 590	1 283
	<b>30/09/2014</b>	<b>31/12/2013</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
	<b>PLN '000</b>		<b>EUR '000</b>	
Total assets	325 447	282 742	77 942	68 177
Liabilities and provisions for liabilities	127 978	82 749	30 650	19 953
Provisions for liabilities	2 032	3 624	487	874
Long-term liabilities	20 947	32 556	5 017	7 850
Short-term liabilities	104 999	46 569	25 147	11 229
Equity	197 469	199 993	47 292	48 224
Number of shares (pcs)	40 040 000	40 040 000	40 040 000	40 040 000
Book value per share (in PLN/EUR)	4,9318	4,9948	1,1811	1,2044
<b>ZLOTY TO EURO CONVERSION RATE</b>	<b>average EUR rate in the period</b>		<b>average EUR rate as at</b>	
	<b>01/01/2014 - 30/09/2014</b>		<b>30/09/2014</b>	
	4,1803		4,1755	
	<b>average EUR rate in the period</b>		<b>average EUR rate as at</b>	
<b>01/01/2013 - 30/09/2013</b>		<b>31/12/2013</b>		
4,2231		4,1472		

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**CONSOLIDATED STATEMENT OF TOTAL INCOME FOR NINE MONTHS ENDED ON 30 SEPTEMBER 2014**

	Note	01/01/2014 30/09/2014 (unaudited)	01/01/2013 30/09/2013 (unaudited)	01/07/2014 30/06/2014 (unaudited)	01/07/2013 30/06/2013 (unaudited)
<b>Continuing operations</b>					
Sales revenues	17.1	93 691	110 405	25 782	27 891
Cost of sales	17.2	(73 374)	(85 516)	(18 832)	(21 636)
<b>Gross profit (loss) on sales</b>		<b>20 317</b>	<b>24 889</b>	<b>6 950</b>	<b>6 255</b>
Selling costs	17.2	(3 183)	(3 878)	(1 132)	(966)
Administrative expenses	17.2	(11 925)	(9 600)	(4 283)	(3 896)
Other operating revenues		932	339	420	132
Other operating costs		(830)	(206)	(150)	(93)
<b>Profit (loss) on operating activities</b>		<b>5 311</b>	<b>11 544</b>	<b>1 805</b>	<b>1 432</b>
Financial income		26	271	(78)	63
Financial costs		(1 775)	(954)	(469)	(450)
<b>Gross profit (loss)</b>		<b>3 562</b>	<b>10 861</b>	<b>1 258</b>	<b>1 045</b>
Income tax	18	(768)	(2 277)	(314)	29
<b>Net profit (loss) from continuing operations</b>		<b>2 794</b>	<b>8 584</b>	<b>944</b>	<b>1 074</b>
<b>TOTAL INCOME</b>		<b>2 794</b>	<b>8 584</b>	<b>944</b>	<b>1 074</b>
<b>Net profit (loss) attributable to:</b>		<b>2 794</b>	<b>8 584</b>	<b>944</b>	<b>1 074</b>
- the parent entity's shareholders		2 426	8 582	955	1 152
- non-controlling shareholders		368	2	(11)	(78)
<b>Total income attributable to:</b>		<b>2 794</b>	<b>8 584</b>	<b>944</b>	<b>1 074</b>
- the parent entity's shareholders		2 426	8 582	955	1 152
- non-controlling shareholders		368	2	(11)	(78)

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION AS AT  
30 SEPTEMBER 2014**

<b>ASSETS</b>	<b>Note</b>	<b>30/09/2014 (unaudited)</b>	<b>31/12/2013 (audited)</b>
<b>Fixed (long-term) assets</b>		<b>104 351</b>	<b>105 407</b>
Property, plant and equipment	<b>21</b>	97 715	99 083
Goodwill		5 624	5 624
Other intangibles		330	415
Long-term prepayments		682	285
<b>Current (short-term) assets</b>		<b>261 127</b>	<b>217 207</b>
Inventory	<b>22</b>	208 475	200 589
Trade and other receivables	<b>23</b>	8 874	6 839
Current income tax receivables		178	-
Other financial assets		17 633	2 661
Cash and cash equivalents	<b>24</b>	25 967	7 118
<b>TOTAL ASSETS</b>		<b>365 478</b>	<b>322 614</b>

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION AS AT 30 SEPTEMBER 2014 (CONTINUED)**

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>30/09/2014 (unaudited)</b>	<b>31/12/2013 (audited)</b>
<b>Equity (attributable to the parent entity's shareholders)</b>		<b>191 237</b>	<b>192 853</b>
Issued share capital	<b>26</b>	4 004	4 004
Reserves		54	87
Retained profit		187 179	188 762
<b>Capital attributable to non-controlling shareholders</b>	<b>26</b>	<b>10 412</b>	<b>10 259</b>
<b>Total equity</b>		<b>201 649</b>	<b>203 112</b>
<b>Long-term liabilities</b>		<b>49 056</b>	<b>63 199</b>
Deferred income tax provision		-	831
Retirement benefit liabilities (a provision)	<b>28</b>	281	252
Long-term credits and bank borrowings	<b>29</b>	46 550	40 146
Debt instrument liabilities	<b>29</b>	-	19 600
Other financial liabilities (lease)	<b>29</b>	141	308
Trade and other liabilities	<b>31</b>	2 084	2 062
<b>Short-term liabilities</b>		<b>114 773</b>	<b>56 303</b>
Short-term provisions	<b>28</b>	1 194	1 637
Short-term credits and borrowings	<b>29</b>	20 289	4 889
Debt instrument liabilities	<b>29</b>	19 997	607
Other financial liabilities (lease)	<b>29</b>	235	629
Current income tax liabilities		146	140
Trade and other liabilities	<b>31</b>	72 912	48 401
<b>Total liabilities</b>		<b>163 829</b>	<b>119 502</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>365 478</b>	<b>322 614</b>



**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30 SEPTEMBER 2014**

<b>Cash flows from operating activities</b>	<b>01/01/2014 -30/09/2014 (unaudited) PLN '000</b>	<b>01/01/2013 -30/09/2013 (unaudited) PLN '000</b>
<b>Net profit/(loss)</b>	<b>2 426</b>	<b>8 582</b>
Adjustments:	8 620	(8 887)
Gain/(loss) of non-controlling capital	368	2
Depreciation	4 320	1 804
Income tax disclosed in the statement of total income	768	2 277
Income tax paid	(2 447)	(5 434)
Net interest and dividends	1 936	922
Profit/(loss) on investing activities	30	(72)
Increase/ (decrease) of receivables	(1 863)	(1 659)
Increase/ (decrease) of inventory	(8 423)	5 391
Increase/ (decrease) of liabilities	14 238	(11 226)
Increase/ (decrease) of accrued/prepaid expenses	105	(227)
Change in provisions	(413)	(664)
Other	1	(1)
<b>Net cash flows from operating activities</b>	<b>11 046</b>	<b>(305)</b>

	<b>01/01/2014 -30/09/2014 (unaudited)</b>	<b>01/01/2013 -30/09/2013 (unaudited)</b>
Sale of property, plant, equipment and intangibles	406	71
Sale of financial assets	-	750
Interest received	9	26
Including new subsidiaries in consolidation	1 340	-
Acquisition of property, plant, equipment and intangibles	(7 445)	(30 870)
<b>Net cash flows from investing activities</b>	<b>(5 690)</b>	<b>(30 023)</b>

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30 SEPTEMBER 2014 (CONTINUED)**

	<b>01/01/2014 -30/09/2014 (unaudited)</b>	<b>01/01/2013 -30/09/2013 (unaudited)</b>
Proceeds in relation to loans/credits obtained	38 054	55 097
Payments in relation to finance lease agreements	(561)	(5 868)
Repayment of loans/credits	(17 549)	(34 667)
Interest paid	(2 162)	(742)
Dividends paid to:	(4 257)	(423)
- the parent entity's shareholders	(4 004)	-
- non-controlling shareholders	(253)	(423)
Expenses related to profit division other than payments to owners	-	(300)
Issue of debt instruments (bonds)	-	19 600
Other financial expenditure	(64)	(3)
Other financial proceeds	32	37
<b>Net cash flows from financing activities</b>	<b>13 493</b>	<b>32 731</b>
<b>Net change in cash and cash equivalents</b>	<b>18 849</b>	<b>2 403</b>
<b>Cash at the beginning of the period</b>	<b>7 118</b>	<b>16 175</b>
<b>Cash at the end of the period</b>	<b>25 967</b>	<b>18 578</b>

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**CONSOLIDATED STATEMENT OF THE CHANGES IN EQUITY FOR NINE MONTHS ENDED ON 30 SEPTEMBER 2014**

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Attributable to non-controlling shareholders	Total
<b>As at 01/01/2014</b>	<b>4 004</b>	<b>62 237</b>	<b>87</b>	<b>126 525</b>	<b>10 259</b>	<b>203 112</b>
Increase of the supplementary capital in relation to liquidation of fixed assets	-	-	(33)	33	-	-
Dividend payment to the parent entity's shareholders	-	-	-	(4 004)	-	<b>(4 004)</b>
Net profit (loss) for the financial year	-	-	-	2 426	368	<b>2 794</b>
Dividend payment - non-controlling shareholders	-	-	-	(38)	(215)	<b>(253)</b>
<b>As at 30/09/2014</b>	<b>4 004</b>	<b>62 237</b>	<b>54</b>	<b>124 942</b>	<b>10 412</b>	<b>201 649</b>

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Attributable to non-controlling shareholders	Total
<b>As at 01/01/2013</b>	<b>4 004</b>	<b>62 237</b>	<b>87</b>	<b>111 458</b>	<b>11 719</b>	<b>189 505</b>
Net profit (loss) for the financial year	-	-	-	8 582	2	<b>8 584</b>
Creation of reserve capital for the redemption of shares in a subsidiary	-	-	-	271	(871)	<b>(600)</b>
Dividend payment - non-controlling shareholders	-	-	-	(133)	(764)	<b>(897)</b>
<b>As at 30/09/2013</b>	<b>4 004</b>	<b>62 237</b>	<b>87</b>	<b>120 178</b>	<b>10 086</b>	<b>196 592</b>

## **COMMENTARY BY THE MANAGEMENT BOARD ON THE CAPITAL GROUP'S ACTIVITY IN THE FIRST NINE MONTHS OF 2014**

Despite a holiday period, the third quarter of 2014 was a period in which the high sales trend continued. Projects pursued as part of the Group's activity aroused a high level of customer interest.

On year-to-date basis, for nine months of 2014, the Group sold 323 premises (in the meaning of preliminary agreements net), which is a 24% increase (the Group having sold 261 premises over nine months of the last year).

In the third quarter of 2014 INPRO SA signed 91 preliminary agreements net. For comparison, the Company concluded 94 agreements net in the same period of 2013. The greatest interest was aroused by the City Park and Czwarty Żagiel projects because of an attractive location at an affordable price, and by the Wróbla Staw multi-family buildings because of availability in the Flat for Young People (MDM) programme.

A subsidiary, Przedsiębiorstwo Budowlane DOMESTA Sp. z o.o., concluded 16 preliminary agreements net in the third quarter 2014, which means that the INPRO Group signed the total of 107 preliminary agreements net. This means that the identical sales volume was maintained in comparison to the same period of the previous year.

In the third quarter this year the INPRO Group handed over the total of 18 residential premises; that number being 69% smaller than in the third quarter 2013, in which the Group delivered 58 flats. On a year-to-date basis, for nine months of this year, the Group delivered the total of 176 premises in comparison with 293 premises last year. The INPRO company delivered 131 premises this year.

The decrease of the number of deliveries follows directly from the property development cycle; in 2014 the completion of construction works and thus the issue of an occupancy permit for buildings will mainly take place as late as the fourth quarter of the financial year.

In the reporting period, only PB DOMESTA Sp. z o.o. placed a new facility i.e. building No. 11 at the Leszczynowe estate in service. The vast majority of the turnover of INPRO and DOMESTA companies will fall to the last quarter of 2014, when the following projects will be completed given no delays to administrative procedures relating to occupancy permits:

- the Leszczynowe estate – building No. 13,
- the Czwarty Żagiel estate,
- Wróbla Staw multi-family houses, stage III (4 residential buildings),
- Single-family houses at the Wróbla Staw estate, stage D (20 single-family houses).

The revenue from the above-mentioned projects to be booked in 2014 should be in the range of PLN 65-85 m.

In April 2014 INPRO SA started the construction and in May it started selling the premises at stage II of the Wróbla Staw multi-family houses estate (5 residential buildings). In the second half of the year, Przedsiębiorstwo Budowlane DOMESTA Sp. z o.o. is planning to put building No. 12 at the Leszczynowe estate on the market. INPRO SA is planning to launch the sales at the project located in the Przymorze district in Gdańsk, Szczecińska street, and yet another stage of the Wróbla Staw multi-family houses project. The sales of the first buildings from the new project in a very attractive location in the Oliwa district of Gdańsk, Grunwaldzka street (land purchased in 2013 from TVP SA) will commence in 2015.

For the first nine months of 2014 the INPRO Group achieved sales revenues at the level of PLN 93,691 k, a decrease by 15% against the same period of the previous year. Gross profit from sales decreased by 18%, to PLN 20,317 k. The decrease of the Group's turnover is related to a small number of premises delivered to the buyers, and the causes of that were described above.

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

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**The INPRO SA Group**

In the first three quarters of the financial year 2014 the Group achieved lower revenues than in the same period of the previous year, the former revenues being approximately PLN 93.7 m, a figure lower by ca. PLN 16.7 m (i.e. 15%) than in 2013. That stems from the fact that, among other things, only one building was placed in service in 2014, and the premises placed in service in the previous years were being sold at promotional prices in 2014.

The cost of sales in the reporting period was 14% lower than in the three quarters of 2013. Due to the costs decreasing more slowly than the revenues, gross profit from sales was 18% lower than in the same period of the previous year. Given a 12% increase of the level of the selling costs and administrative expenses (because of the commencement of activity by the Mikołajki Hotel) and 86% increase of the financial costs (because of the issue of bonds), consolidated net profit achieved in the three quarters of 2014 (PLN 2,794 k) was 67% lower than in the same period of 2013. The Group noted a decrease of net profitability from 7.8% to 3%.

In the cash flow statement for the nine months of 2014 the Group noted positive cash flows in both operating and financing activity. Negative cash flows from the investment activity follow, first of all, from the considerable expenditure on the construction of the Mikołajki Hotel. Positive cash flows on the financing activity arise, however, from increased credit exposure.

**INPRO SA**

Similarly to the Group, INPRO as a company noted a considerable decrease in sales revenues for the three quarters of 2014 compared to the same period of the previous year (PLN 59.1 m against PLN 127.1 m, a drop by 53%).

The decrease of the cost of sales was slightly smaller as it amounted to 52%. Gross profit from sales for nine months of 2014 was approximately 9 m and was therefore 61% lower than in the same period of 2013. Net profit reached the level of PLN 1.5 m (a 88% decrease).

The net debt ratio as at 30/09/2014, calculated as the quotient of the total financial debt less cash and cash equivalents to equity, was 0.12.

The cash flow statement for the three quarters of 2014 for INPRO SA is similar to that of the Capital Group – only the investing activity generates negative cash flows because of loans granted to the Hotel Mikołajki company. Cash flows on the financing activity are positive mainly in relation to the proceeds from the concluded credit agreements.

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*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

## **ADDITIONAL INFORMATION AND EXPLANATIONS**

### **1. General information**

The INPRO SA capital group (the "Group") consists of the parent entity, i.e. INPRO SA, and its subsidiaries (see item 2). The consolidated financial statements of the Group comprise financial data for six months ended on 30 September 2014 with comparatives for nine months ended on 30 September 2013 and as at 31 December 2013.

The basic object of the Capital Group is the property development activity that is the construction and sale of residential and commercial premises (INPRO SA and Domesta Sp. z o.o.)

In addition, other companies within the Group are involved in the following:

- hotel services (Dom Zdrojowy Sp. z o. o. and Hotel Mikołajki Sp. z o.o.),
- manufacture of precast concrete elements, manufacture and erection of steel structures for the civil engineering, industrial and municipal construction industry (Rugby Prefabrykaty Sp. z o.o.).

INPRO SA (the "Parent Company," "Company") was established by way of the Notarised Deed of 6 April 1987 as Biuro Projektów i Usług Inwestycyjnych Budownictwa INPRO Spółka z ograniczoną odpowiedzialnością. On 29 May 2008 the legal status was changed from a limited liability company to a joint-stock company.

The registered office of the Parent Company is in Gdańsk at ul. Opata Jacka Rybińskiego 8.

The Parent Company is recorded in the register of entrepreneurs of the National Court Register kept by the District Court in Gdańsk, 7<sup>th</sup> Business Division of the National Court Register, under number KRS 306071.

The Parent Company was given the REGON business registry number 008141071.

The duration of the Parent Company and entities in the Capital Group is unspecified.

The Group did not discontinue any of the kinds of its activity in the first nine months ended on 30 September 2014.

The share capital of INPRO SA did not change in the first nine months of 2014. As at 30 September 2014, the share capital of INPRO was PLN 4,004 k and was divided into 40,040,000 ordinary bearer shares of the nominal value of 10 groszes each.

**As at the balance sheet date, 14/11/2014, 30/09/2014 and 31/12/2013, the shareholding structure of the parent entity is as follows:**

<b>SHAREHOLDING STRUCTURE AS AT 30/09/2014 AND 31/12/2013</b>						
Nominal value in PLN	Nominal value in PLN	Nominal value in PLN	Nominal value in PLN	Udział w kapitale zakładowym	Ilość głosów	Udział w liczbie głosów
Piotr Stefaniak-Prezes Zarządu	A	8.460.000	846.000	21,13%	8.460.000	21,13%
Zbigniew Lewiński-Wiceprezes Zarządu	A	9.460.000	946.000	23,63%	9.460.000	23,63%
Krzysztof Maraszek-Wiceprezes Zarządu	A	10.010.000	1.001.000	25%	10.010.000	25%
ING OFE	A	2.100.000	210.000	17,93%	2.100.000	17,93%
	B	5.077.704	507.770		5.077.704	
Shareholders with less than 5% of votes	B	4.932.296	493.230	12,31%	4.932.296	12,31%
<b>TOTAL</b>		<b>40 040 000</b>	<b>4 004 000</b>	<b>100%</b>	<b>40 040 000</b>	<b>100%</b>

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

Compared to the status as at 31/12/2013, no significant changes in the shareholding structure occurred by 30/09/2014.

In the period from 30 September 2014 until the submission of this report, the shareholders did not advise of any change in the shareholdings in INPRO SA. No change in the shareholdings by executives took place in that period, either.

The members of the supervising body of INPRO SA do not hold the Company's shares.

## 2. Composition of the INPRO SA Capital Group

INPRO SA's subsidiaries covered by consolidation as at 30 September 2014 and 31 December 2013:

No	Entity's name	Registered office	Object	Share in the share capital (%)	Share in voting rights (%)	Acquisition price of the shares
1.	Rugby Prefabrykaty Sp. z o.o.	Kolbudy, ul. Przemysłowa 10	Manufacture of reinforced concrete, concrete and steel elements	51%	51%	2 549
2.	Dom Zdrojowy Sp. z o.o.	Gdańsk, ul. Piastowska 1 The principal place of business is in the hotel at the following address: Jastarnia, ul. Kościuszki 2	Hotel services	100%	100%	19 120
3.	P.B. Domesta Sp. z o.o.	Gdańsk, ul. Cementowa 5-9	Property development activity, main contracting for multi-family residential buildings	54,26%	54,26%	13 471
4.	Hotel Mikołajki Sp. z o.o.	Gdańsk, ul. Opata Jacka The principal place of business is in the hotel at the following address: Mikołajki, al. Spacerowa 11	Hotel services	100%	100%	15 785
						<b>50 925</b>

Share capital of the various entities comprised by the INPRO group as at 30/09/2014:

Entity's name	Share capital as at 30/09/2014
<b>INPRO SA</b>	4.004
<b>Przedsiębiorstwo Budowlane DOMESTA Sp. z o.o.</b>	300
<b>RUGBY Prefabrykaty Sp. z o.o.</b>	5.331
<b>Dom Zdrojowy Sp. z o.o.</b>	19.140
<b>Hotel Mikołajki Sp. z o.o.</b>	15.780

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As at 30 September 2014, the share in the total number of votes held by the Group in subsidiaries equals the Group's share in the capital of those entities.

As at 30 September 2014 (similarly to 31/12/2013) all the companies within the Capital Group were comprised by the full method consolidation.

The subsidiaries do not hold shares in entities not controlled.

In the first nine months of 2014, the composition of the INPRO SA Capital Group did not change.

The nominal value of the shares in the share capital of Przedsiębiorstwo Budowlane Domesta Sp. z o.o. did change, however, in view of the fact that, taking into account the redemption of 24 shares of the nominal value of PLN 750 each from net profit (the resolution of 28/06/2013) and the need to adjust the nominal value of unredeemed shares to the registered amount of the share capital, on 09/07/2014 the Ordinary General Meeting of PB DOMESTA Sp. z o.o. adopted a resolution on the increase of the nominal value of all the 376 shares from PLN 750 to PLN 797.87 and adopted a resolution on the increase of the share capital from the previous amount of PLN 300,000 to PLN 300,800 by increasing the value of all the 376 shares from PLN 797.87 to PLN 800 per share. The above-mentioned increase was covered by the shareholders in cash.

**In addition to the above, INPRO SA is related to:**

- Hotel Oliwski Sp. z o.o., a company personally related through Mr Piotr Stefaniak – 162 shares of the nominal value of PLN 10k each. In November 2013 Mr Piotr Stefaniak bought from 54 shares of the nominal value of PLN 10k each from Mr Krzysztof Maraszek and 54 shares of the nominal value of PLN 10k each from Mr Zbigniew Lewiński thus obtaining the total of 100% of the shares in that entity's capital (PLN 1,620k),
- Przedsiębiorstwo Instalacyjne "ISA" Sp. z o.o. (the shareholders of INPRO SA are the shareholders of Przedsiębiorstwo Instalacyjne ISA Sp. z o.o. The ownership structure of the company is as follows: Piotr Stefaniak holds 90 shares constituting 22.5% of the total number of shares in the Company; Krzysztof Maraszek holds 90 shares constituting 22.5% of the total number of shares in the Company; and Zbigniew Lewiński holds 90 shares constituting 22.5% of the total number of shares in the Company),
- the partnership called INPRO MANAGEMENT Zbigniew Lewiński, Krzysztof Maraszek i Piotr Stefaniak, with which partnership INPRO SA signed a management agreement on 29 December 2008.

**3. Composition of the parent company's Management Board and Supervisory Board**

As at the date of preparation of these condensed financial statements, the composition of the Management Board of the parent entity was as follows:

- Piotr Stefaniak – President of the Management Board
- Zbigniew Lewiński – Vice-President of the Management Board
- Krzysztof Maraszek – Vice-President of the Management Board

No changes in the composition of the body occurred in the period in question.

For the shareholdings of the members of the Management Board, see the shareholding structure in note 1.

As at the date of preparation of these condensed financial statements, the composition of the Supervisory Board of the parent entity was as follows:



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*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

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- |                      |  |
|----------------------|--|
| - Jerzy Glanc        | - Chairman of the Supervisory Board      |
| - Krzysztof Gąsak    | - Vice-Chairman of the Supervisory Board |
| - Robert Maraszek    | - Secretary of the Supervisory Board     |
| - Szymon Lewiński    | - Member of the Supervisory Board        |
| - Wojciech Stefaniak | - Member of the Supervisory Board        |

No changes in the composition of the body occurred in the period in question.

In conformity with the resolutions of the Company's General Assembly of 11 June 2014, in relation to the expiry of the term of office of the Supervisory Board members, the same persons were appointed for the next term of office. The first session of the Company's Supervisory Board took place on 9 July 2014. It is at that session that the Board was constituted and the various members of that governing body were allocated the functions previously fulfilled by them.

On 11 June 2014 the General Assembly adopted resolution No. 25 amending the Company's Statutes by introducing the provision that in the event that the Supervisory Board is appointed in the bench consisting of not more than 5 (five) members, and at least one of them is an independent member referred to in par. 12 of the Statutes and holds qualifications "in accounting or financial revision, the Supervisory Board shall perform the tasks of the audit committee in corpore."

#### **4. Approval of the financial statements**

These interim condensed consolidated financial statements for the period of nine months ended on 30 September 2014 were approved for publication by the Management Board on 14 November 2014.

#### **5. Grounds for the preparation of condensed interim consolidated financial statements and accounting principles**

##### **5.1 Grounds for the preparation**

These interim condensed consolidated financial statements were prepared in conformity with the International Accounting Standard 34 Interim Financial Reporting.

These interim condensed consolidated financial statements do not comprise all information and disclosures required in annual financial statements and should be read together with the audited Consolidated Financial Statements of the Inpro SA Capital Group prepared in conformity with the International Financial Reporting Standards ("IFRSs") for the year ended on 31 December 2013.

These interim condensed consolidated financial statements were prepared on the assumption that the Group companies will be able to continue as the going concern in the foreseeable future. As at the date of signing these financial statements, no circumstances are found to exist which indicate a threat to the Group companies to continue as a going concern.

These interim condensed consolidated financial statements were prepared in Polish zlotys (PLN). The Polish zloty is the functional and reporting currency of the Capital Group. Unless indicated otherwise, the data in financial statements have been presented in thousands of zlotys.

##### **5.2 New and revised standards and interpretations used by the Group**

These interim condensed consolidated financial statements are prepared based on the same accounting policies as for the consolidated financial statements of the Group for the year ended 31

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December 2013, except for the following amendments to existing standards and new interpretations that are effective for annual periods beginning on 1 January 2014:

Amendments to IAS 32 Financial instruments: presentation: Offsetting of Financial Assets and Financial Liabilities – effective for financial years beginning on or after 1 January 2014.

- Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities (issued on 31 October 2012) – effective for financial years beginning on 1 January 2014.

- Amendments to IAS 36 Recoverable Amount Disclosures for Non-financial Assets (issued on 29 May 2013) – effective for financial years beginning on or after 1 January 2014.

- Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting (issued on 27 June 2013) – effective for financial years beginning on or after 1 January 2014.

The introduced amendments do not materially affect the Company's financial position, operating results or the scope of information presented in these interim condensed consolidated financial statements.

This report does not take into account the amendments to the standards and interpretations, which await approval by the European Union or those which have been approved by it but have or will become effective after the balance sheet date.

In the Company's opinion, the implementation of the standards and interpretations approved and published by the EU which have or will become effective after the balance sheet date or those awaiting approval by the EU will not have a material effect on the condensed interim consolidated financial statements of the Group.

## **6. Conversion of items denominated in a foreign currency**

The following rates have been taken for the purposes of the balance sheet valuation:

<b>Rate as at the last day of the period</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
EURO	4,1755	4,1472

<b>Average rate, calculated as the arithmetic mean of the rates binding on the last day of each month in the period</b>	<b>01/01/2014 -30/09/2014</b>	<b>01/01/2013 -30/09/2013</b>
EURO	4,1803	4,2231

## **7. Material values based on professional judgement and estimates**

### **6.1 Professional judgement**

In the event that a transaction is not regulated in any standard or interpretation, the Management Board, while being guided by a subjective judgement, specifies and applies accounting policies, which will ensure that the financial statements contain appropriate and credible information and will:

- present a true, clear and fair view of the economic and financial position of the Group, the results of its activity and cash flows,
- reflect the commercial substance of transactions,
- be objective,
- be prepared in conformity with the conservative valuation principle,
- be complete in all essential aspects.

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– The subjective judgement as at 30 September 2014 concerns the provisions for claims and court cases, and contingent liabilities.

## **6.2 Uncertainty of estimates**

The preparation of interim condensed consolidated financial statements requires the Company's Management Board to make estimates because much information in the financial statements cannot be valued precisely. The Management Board verifies the estimates on the basis of the changes of factors taken into consideration when the estimates were made, of new information or of previous experience. It is for that reason that the estimates as at 30 September 2014 may be revised in the future. The main estimates have been described below:

	<b>Kind of disclosure</b>
Trade receivable valuation allowances	Given the grounds, the Group verifies the recovery of various trade receivables and estimates the valuation allowances.
Income tax	The Group recognises deferred tax assets on the basis of the assumption that a tax profit allowing the use of deferred tax will be achieved in the future. The deterioration of the tax results obtained in the future could make that assumption groundless.
Useful life of fixed assets and intangibles	The useful life of assets and their depreciation method is verified at least at the end of each financial year.

## **8. Seasonality of INPRO SA Group's activity in the period under discussion**

The Group's property development activity is not characterised by seasonality, and the revenues depend directly on the length and character of the property development cycle.

The hotel activity of the companies within the Group is characterised by the seasonality of the revenues from sales. No significant deviations were noted in the reporting period compared to other periods in relation to seasonality.

## **9. Directions of development of the INPRO SA Capital Group**

In the nearest future the Group is planning to focus on the following areas:

- the continuation of the current strategy (the Tri-City market, in the increased standard apartment segment) and further development of activity in the popular segment,
- seeking land for new property development projects – an attractive location at the land purchase price enabling a satisfactory margin,
- the second stage of the works in the Dom Zdrojowy Hotel in Jastarnia is being considered, namely the extension to include a large conference and banquet hall for 200 persons; also planned is the addition of a roofed link building connecting the island with the main land in the Mikołajki Hotel. The Group is not planning other hotel or other major investments in the nearest future,
- the Group also considers stronger involvement in the implementation of commercial projects,
- reconstruction of RUGBY Prefabrykaty Sp. z o.o. (mainly through the reduction of personnel, material and tax costs and the increase of revenues through a focus on more profitable areas of the activity), which is aimed at the improvement of the company's financial position.

The Management Board of INPRO SA is of the opinion that the continuation of the Group's activity is not threatened.

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

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**10. Events with significant influence on the Capital Group's activity and financial results**

Key factors influencing the Group's financial performance in the first nine months of 2014:

- the Group's advanced sales in the first nine months of 2014, understood as the number of the signed preliminary agreements net, was considerably higher than in the comparable period of the previous year (an increase by 24% to 323 agreements net). Such a significant increase of the sales was related to the good structure of the Group's sales offer on the one hand, and to general tendencies on the property development market. Flats available in the Flat for Young People Programme were very popular,
- in relation to the specific nature of the property development cycle, the revenues from operations are posted after approximately 2 years from the commencement of a property development project, following receipt of the occupancy permit and delivery of the premises to the buyers. In the period from January to September 2014, INPRO SA did not place any project in service, and the revenues concerned the premises and single-family houses placed in service in previous years. Only PB Domesta completed the works on one building. The total number of premises delivered in the period in question was 176 compared to 293 in the previous year. In relation to that, the revenues booked in the first nine months of the current year are significantly lower than the revenues in the comparable period. Profitability decrease was influenced by the structure of premises being delivered, with those in a price promotion constituting a large percentage,
- improvement of the profitability of the Dom Zdrojowy company because of extension by 24 hotel rooms,
- the start of activity by Hotel Mikołajki Sp. z o.o. which, in relation to the sale of some apartments in the hotel and apartment building, directly influenced the Group's revenues and net profit.

In the subsequent years, the Group's financial performance will be affected, first of all, by the following:

- the development of the property development market with special consideration for its competitiveness (the smaller number of flats on the market and growing demand),
- regulatory activities of the government, in particular the endorsement of the act concerning the "Flat for Young People" programme and of the Flat Acquirers' Rights Protection Act, and recommendation S3 becoming effective,
- the announcement that PLN 5 b will be allocated to the creation of a flat to let fund by BGK,
- the banks' policy in mortgage loans, readiness to offer escrow accounts and credits for developers,
- the macroeconomic situation in Poland and in the world.

**11. Information on significant transactions effected by INPRO SA or a subsidiary with related entities on conditions other than market conditions**

All the transactions by the Company or its subsidiaries with related entities were entered into on market conditions.

The description of transactions with related entities was presented in note 35 of this condensed interim consolidated financial statements for nine months ended on 30/09/2014.

**12. Information on credit/loan sureties given by the Parent Entity or by subsidiaries or on guarantees given to an entity or its subsidiary, where the total value of sureties or guarantees is at least 10% of the Issuer's equity**

On 11 March 2014 INPRO SA as the lender signed with Hotel Mikołajki Sp. z o.o. as the borrower a loan agreement for the amount of PLN 13,025 k. designated for the settlement by Hotel Mikołajki Sp. z o.o. of the payments relating to outstanding invoices issued by INPRO S.A. in relation to the

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main contracting services for the hotel and apartment complex in Mikołajki, which is being implemented on the basis of agreement No. 4359/2011 of 01/08/2011 as amended. The loan interest rate is based on 3 M WIBOR + the margin. Interest is payable in arrears along with loan repayment. Early loan repayment is possible upon consent from Powszechna Kasa Oszczędności Bank Polski S.A. The final deadline for loan repayment with interest is 31/01/2028.

The loan described above was set-off with invoices not paid by Hotel Mikołajki Sp. z o.o. on the basis of the offset agreement of 12/03/2014.

The agreements in question were described in the Company's relevant current reports Nos. 9/2014 of 11/03/2014 and 10/2014 of 12/03/2014.

**13. Difference between the financial performance indicated in the annual report and forecasts for a given year published previously**

The Company did not publish financial forecasts for 2014.

**14. Other material information for the assessment of the personnel, economic and financial position and of the financial result as well as their changes and the payment of liabilities**

a) On 13/01/2014 the Gdańsk-North District Court in Gdańsk, 3<sup>rd</sup> Land and Mortgage Register Division, recorded in division IV of land and mortgage register No. GD1G/00159959/6 the contractual real estate mortgage up to the sum of PLN 12,350 k on the assets of INPRO SA of considerable value, such mortgage constituting a legal security for the repayment of the credit in the amount of PLN 9,500 k granted by SGB – Bank SA with its registered office in Poznań.

b) On 20/01/2014 the Management Board of the Company signed with Hotel Mikołajki Sp. z o.o. annexe No. 2 to agreement No. 4359/2011 of 01/08/2011 for the construction in the main contracting system of the Hotel and Apartment Complex in Mikołajki, ul. Okrężna, and on the Birds' Island.

The annexe was concluded as several additional works were done as specified in variation order requests and, in accordance with the annexe, the total remuneration of INPRO SA as the contractor was set at PLN 71,184 k net, and the deadline for additional works at 31/01/2014. The annexe was described in current report No. 4/2014 of 20/01/2014.

c) On 06/02/2014 the Gdańsk-North District Court in Gdańsk, 3<sup>rd</sup> Land and Mortgage Register Division, recorded in division IV of land and mortgage register No. GD1G/00260693/7, DG1G/00256721/2 and DG1G/00257490/0 the contractual real estate mortgage up to the sum of PLN 15,000 k on the assets of INPRO SA of considerable value, such mortgage constituting a legal security for the repayment of the credit in the amount of PLN 10,000 k granted by Alior Bank SA with its registered office in Warsaw.

d) On 07/02/2014 the Company signed annexe No.2 to the working capital credit agreement with Alior Bank SA for the financing of the costs of the construction of Wróbla Staw stages B and C single family houses in Gdańsk Jasień. Based on the annexe, the provisions concerning the proceeds on the bank account were revised (the required limit reduced).

e) On 07/02/2014 INPRO SA signed with Alior Bank SA a working capital credit agreement for PLN 4,300 k for the refinancing of a part of expenditure incurred for the purchase of land for the residential and commercial development in Gdańsk, Al. Rzeczypospolitej (a part of the City Park estate). The agreement was described in current report No. 6/2014 of 07/02/2014;

f) On 24/02/2014 Rugby Prefabrykaty Sp. z o.o. signed with BNP Paribas Bank Polska SA an annexe to the overdraft agreement for PLN 200 k. Based on the annexe, the credit availability period was extended until 26/08/2014; it was also agreed that the credit limit would be reduced by PLN 25 k on days on which interest is due each month, commencing from 05/03/2014.

g) On 26/02/2014 the Gdańsk-North District Court in Gdańsk, 3<sup>rd</sup> Land and Mortgage Register Division, recorded in division IV of land and mortgage register No. GD1G/00261401/1 the contractual real estate mortgage up to the sum of PLN 6,450 k on the assets of INPRO SA of considerable value, such mortgage constituting a legal security for the repayment of the credit in the amount of PLN 4,300 k granted by Alior Bank SA with its registered office in Warsaw.

h) On 07/03/2014 Dom Zdrojowy Sp. z o.o. signed an overdraft agreement for PLN 500 k with Bank Polska Kasa Opieki SA. The deadline for credit repayment is 28/02/2015. Securities

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- include a registered pledge on a set of movable items which are the hotel equipment with the book value of PLN 716 k , and the letter of support issued by INPRO SA. In that letter, in addition to the general provisions pertaining to the support of the subsidiary by INPRO SA so that no financial institution working with the subsidiary will incur a loss in relation to such cooperation, the Company undertook to advise the bank of the sale of the whole or part of the shares of Dom Zdrojowy Sp. z o.o with sufficient notice. The purpose is to enable the bank to reconsider the financing in question at its convenience.
- i) On 26/03/2014 INPRO SA signed with Powszechna Kasa Oszczędności Bank Polski SA an annexe to the working capital credit agreement for the financing of the construction of the Czwarty Żagiel project in Gdańsk. On the basis of the annexe, the credit use period was extended from 31/03/2014 to 30/06/2014, and the repayment programme was adjusted to that change, with the final repayment date of 17/03/2016 retained.
  - j) On 26/03/2014 INPRO SA signed a working capital credit agreement for PLN 15,000 k with a consortium created by Bank Polskiej Spółdzielczości SA with its registered office in Warsaw and Powiślański Bank Spółdzielczy in Kwidzyn with its registered office in Kwidzyn. The credit is designated for the financing of the construction of the City Park estate in Gdańsk, buildings E and F. The agreement was described in current report No. 12/2014 of 26/03/2014.
  - k) On 16/04/2014 the Gdańsk-North District Court in Gdańsk, 3<sup>rd</sup> Land and Mortgage Register Division, recorded in division IV of land and mortgage register No. GD1G/00145988/0 the contractual real estate mortgage up to the sum of PLN 25,500 k on the assets of INPRO SA of considerable value, such mortgage constituting a legal security for the repayment of the credit in the amount of PLN 15,000 k granted by the consortium of banks: Bank Polskiej Spółdzielczości SA with its registered office in Warsaw, ul. Grzybowska 81 and Powiślański Bank Spółdzielczy in Kwidzyn, with its registered office in Kwidzyn, ul. Kopernika 28.
  - l) On 16/06/2014 INPRO SA signed an agreement for the comprehensive extension of the English Pub (to include apartment number A.2.1.4) in the building of the "Mikołajki Hotel\*\*\*\*\*" on the Birds' Island in Mikołajki. The agreement was described in current report No. 24/2014 of 17/06/2014.
  - m) On 23/06/2014 INPRO SA signed with Alior Bank SA a working capital credit agreement for PLN 8,200 k for the refinancing of the costs of construction of 6 commercial premises and 2 residential premises at the Kwartal Kamienic project in Gdańsk. The agreement was described in current report No. 25/2014 of 24/06/2014.
  - n) On 27/06/2014 INPRO SA signed with the consortium of banks: SGB – Bank SA and Spółdzielczy Bank in Tczew a working capital credit agreement for PLN 11,000 k for the financing of the costs of construction of stage II of Wróbla Staw multi-family houses. The agreement was described in current report No. 26/2014 of 27/06/2014.
  - o) On 04/07/2014 the Gdańsk-North District Court in Gdańsk, 7th Business Division of the National Court Register, registered the changes of the statutes of INPRO SA in conformity with the resolution adopted by the General Assembly of 11/06/2014. The amendments were described in current report No. 27/2014 of 23/07/2014.
  - p) On 18/07/2014 the Gdańsk-North District Court in Gdańsk, 3rd Land and Mortgage Register Division, recorded in division IV of land and mortgage register No. GD1G/00150959/6 two contractual real estate mortgages, each up to the sum of PLN 9,350 k on the assets of INPRO SA of considerable value, such mortgages constituting a legal security for the repayment of the credit in the amount of PLN 11,000 k granted by the consortium of banks: SGB - Bank S.A. and Bank Spółdzielczy in Tczew.
  - q) On 28/07/2014 the Extraordinary General Meeting of RUGBY Prefabrykaty Sp. z o.o. adopted resolutions on the basis of which the previous President of the Management Board, Mr Mikołaj Stefaniak, was dismissed and the new President of the Management Board, Mr Maciej Jęczmyk, appointed effective on 01/08/2014.
  - r) On 29/07/2014 Hotel Mikołajki Sp. z o.o. signed a letter of intent with mLeasing Sp. z o.o. regarding the sale and lease-back lease of the complex of premises and land of the Mikołajki Hotel 5\* in Mikołajki. The letter was described in current report No. 28/2014 of 30/07/2014.
  - s) On 31/07/2014 INPRO SA signed with Powszechna Kasa Oszczędności Bank Polski SA an annexe to the working capital credit agreement for the financing of the construction of the Czwarty Żagiel project in Gdańsk. On the basis of the annexe, the credit use period was extended from 30/06/2014 to 31/12/2014, and the repayment programme was adjusted to that change, with the final repayment date of 17/03/2016 retained. The annexe was described in current report No. 29/2014 of 31/07/2014.

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- t) On 08/08/2014 INPRO SA granted RUGBY Prefabrykaty Sp. z o.o. a short-term loan in the amount of PLN 300 k for the financing of current liabilities. The deadline for the repayment was fixed at 31/12/2014. The loan interest rate is based on 3 M WIBOR + the margin.
- u) On 14/08/2014 INPRO SA signed with Powszechna Kasa Oszczędności Bank Polski SA an investor loan agreement for the financing of the construction of building B at the Chmielna Park project in Gdańsk in the amount of PLN 25,474 k. The agreement was described in current report No. 31/2014 of 14/08/2014.
- v) On 03/09/2014 the Extraordinary General Meeting of RUGBY Prefabrykaty Sp. z o.o. adopted a resolution under which the business name of that entity was changed. It was resolved that the company will operate under the business name of inBet Spółka z ograniczoną odpowiedzialnością.
- w) On 05/09/2014 the Gdańsk-North District Court in Gdańsk, 3<sup>rd</sup> Land and Mortgage Register Division, recorded in division IV of land and mortgage register No. GD1G/00084697/7 the contractual real estate mortgage up to the sum of PLN 12,300 k on the assets of INPRO SA, such mortgage constituting a legal security for the repayment of the credit in the amount of PLN 8,200 k granted by Alior Bank SA.
- x) On 17/09/2014 INPRO SA signed with Hotel Mikołajki Sp. z o.o. an agreement for the construction of an enclosed foot bridge connecting the Birds' Island in Mikołajki with the peninsula. The agreement was described in current report No. 35/2014 of 17/09/2014.
- y) On 19/09/2014 the Gdańsk-North District Court in Gdańsk, 3<sup>rd</sup> Land and Mortgage Register Division, recorded in division IV of land and mortgage register No. GD1G/00064314/3 the contractual real estate mortgage up to the sum of PLN 38,211 k on the assets of INPRO SA, such mortgage constituting a legal security for the repayment of the credit in the amount of PLN 25,474 k granted by PKO BP SA.
- z) On 29/09/2014 INPRO SA signed with Hotel Mikołajki Sp. z o.o. an agreement for abolishing the joint ownership of the plots of land covered by land and mortgage register No. OL1M/00026392/3 and located in Mikołajki. The agreement was described in current report No. 36/2014 of 30/09/2014.

In the reporting period there occurred no other events, which have not been described above, material for the assessment of the personnel, economic or financial position and of the financial result.

**15. Material events after the balance sheet date**

- a) On 28/10/2014 the Company signed with a natural person a land purchase agreement for land of the area of 20,364 m<sup>2</sup> located in Gdynia, Strzelców, street. The value of the object of the agreement is lower than 10% of the Company's equity.
- b) On 30/10/2014 the Company signed a working capital credit agreement for PLN 8,000 k thus partially refinancing the costs of purchase of land located in Gdynia, Wielkopolska street, with the consortium of banks: SGB Bank SA with its registered office in Poznań and Kaszubski Bank Spółdzielczy w Wejherowie with its registered office in Wejherowo. The agreement was described in current report No. 38/2014 of 30/10/2014.
- c) On 31/10/2014 the Company obtained an occupancy permit for four buildings at stage III of the Wróbla Staw multi-family buildings.
- d) On 03/11/2014, the Gdańsk-North District Court in Gdańsk, 7<sup>th</sup> Division of the National Court Register, issued a ruling concerning the registration of the increase of the share capital of Przedsiębiorstwo Budowlane DOMESTA Sp. z o.o. from PLN 300,000 to PLN 300,800.
- e) On 06/11/2014 the Extraordinary General Meeting of RUGBY Prefabrykaty Sp. z o.o. adopted a resolution under which the company's share capital was increased from PLN 5,331,200 to PLN 6,331,192, i.e. by the sum of PLN 999,992, by way of creation of 17,857 new shares of the nominal value of PLN 56 each, with the exclusion of the right of priority of a shareholder, A. Meronk, to subscribe for the newly created shares. The capital was covered by cash and subscribed in its entirety by INPRO SA. As a result of the capital increase, the number of shares in RUGBY Prefabrykaty held by INPRO SA is 66,409 i.e. 58.74% in the share capital.
- f) On 06/11/2014 the Company entered into annexe No. 3 to agreement No. 4359/2011 of 01/08/2011 with Hotel Mikołajki Sp. z o.o. for the construction in the main contracting system of the Hotel and Apartment Complex at land situated in Mikołajki, Okrężna street, and on the Birds' Island.

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The annexe was concluded following arrangements between the parties about the reduction of the substantive scope of the agreement by way of exclusion from that scope of the works consisting in the redevelopment by the Company of Aleja Spacerowa in Mikołajki. The annexe was described in current report No. 40/2014 of 07/11/2014.

- g) On 12/11/2014 the Company became aware that the Gdańsk-North District Court in Gdańsk, 7<sup>th</sup> Division of the National Court Register, issued a ruling concerning the registration of the change of the business name of RUGBY Prefabrykaty Sp. z o.o. to inBet Sp. z o.o.

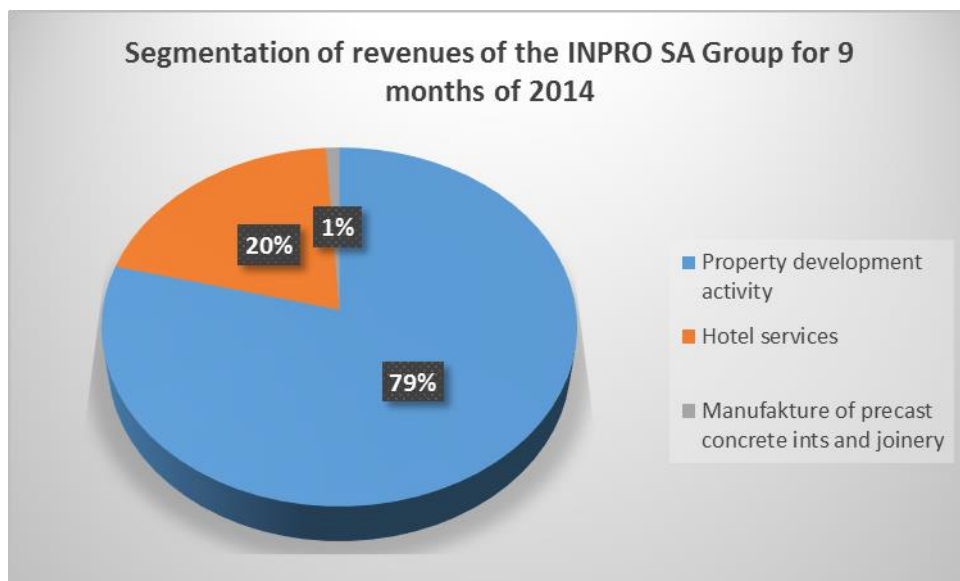
## **16. Information on operating segments**

For management purposes, the Group was divided into segments on the basis of the products and services on offer. The Group carries activity within the following operating segments:

- 1) property development activity (INPRO SA, PB Domesta Sp. z o.o., the sale of apartments at Hotel Mikołajki Sp. z o.o.),
- 2) hotel services (Dom Zdrojowy Sp. z o.o. and Hotel Mikołajki Sp. z o.o.),
- 3) manufacture of concrete, reinforced concrete and steel elements (Rugby Prefabrykaty Sp. z o.o.).

Activities in the above-mentioned segments are pursued in the territory of Poland.

The sales revenue structure is presented in the following diagram:



The tables below present the data concerning revenues and profits as well as certain assets and liabilities of the Group's various operating segments for the accounting period ended on 30/09/2014, 30/09/2013 and 31/12/2013.



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Figures for the period 01/01/2014-30/09/2014	Continuing activities				Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Total		
<b>Revenues</b>						
Sales to external customers	74 289	18 447	955	93 691	-	93 691
Sales between segments	1 806	65	4 409	6 280	(6 280)	-
<b>Total revenues of the segment</b>	<b>76 095</b>	<b>18 512</b>	<b>5 364</b>	<b>99 971</b>	<b>(6 280)</b>	<b>93 691</b>
<b>Profit (loss) of the segment</b>	<b>15 046</b>	<b>4 511</b>	<b>491</b>	<b>20 048</b>	<b>269</b>	<b>20 317</b>
Selling costs	(2 523)	(660)	-	(3 183)	-	(3 183)
Administrative expenses	(6 709)	(4 701)	(515)	(11 925)	-	(11 925)
Other operating revenues/costs	133	(34)	3	102	-	102
<b>Profit (loss) on operating activities</b>	<b>5 947</b>	<b>(884)</b>	<b>(21)</b>	<b>5 042</b>	<b>269</b>	<b>5 311</b>
Interest revenue	1 046	36	4	1 086	(1 070)	16
Interest cost	(517)	(1 974)	(20)	(2 511)	1 070	(1 441)
Other net revenues /financial costs	(46)	(67)	6	(107)	(217)	(324)
<b>Profit (loss) before tax</b>	<b>6 430</b>	<b>(2 889)</b>	<b>(31)</b>	<b>3 510</b>	<b>52</b>	<b>3 562</b>
Income tax	(499)	(210)	(11)	(720)	(48)	(768)
<b>Net profit (loss) for the financial period</b>	<b>5 931</b>	<b>(3 099)</b>	<b>(42)</b>	<b>2 790</b>	<b>4</b>	<b>2 794</b>
<i>- including attributable to non-controlling shareholders</i>						<b>368</b>

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Figures as at 30/09/2014	Continuing activities				Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Total		
<b>Assets and liabilities</b>						
Segment assets	347 147	107 011	5 131	459 289	(93 811)	365 478
<b>Total assets</b>	<b>347 147</b>	<b>107 011</b>	<b>5 131</b>	<b>459 289</b>	<b>(93 811)</b>	<b>365 478</b>
Segment liabilities	216 170	31 256	3 243	250 669	(49 020)	201 649
Total equity	130 977	75 755	1 888	208 620	(44 791)	163 829
<b>Total liabilities and capital</b>	<b>347 147</b>	<b>107 011</b>	<b>5 131</b>	<b>459 289</b>	<b>(93 811)</b>	<b>365 478</b>

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*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

Figures as at  01/07/2014-30/09/2014	Continuing activities				Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Total		
<b>Revenues</b>						
Sales to external customers	20 811	4 718	253	25 782	-	25 782
Sales between segments	728	7	1 841	2 576	(2 576)	-
<b>Total revenues of the segment</b>	<b>21 539</b>	<b>4 725</b>	<b>2 094</b>	<b>28 358</b>	<b>(2 576)</b>	<b>25 782</b>
<b>Profit (loss) of the segment</b>	<b>6 114</b>	<b>1 160</b>	<b>257</b>	<b>7 531</b>	<b>(581)</b>	<b>6 950</b>
Selling costs	(770)	(362)	-	(1 132)	-	(1 132)
Administrative expenses	(2 210)	(1 835)	(238)	(4 283)	-	(4 283)
Other operating revenues/costs	(31)	317	(16)	270	-	270
<b>Profit (loss) on operating activities</b>	<b>3 103</b>	<b>(720)</b>	<b>3</b>	<b>2 386</b>	<b>(581)</b>	<b>1 805</b>
Interest revenue	420	21	4	445	(533)	(88)
Interest cost	(183)	(664)	(18)	(865)	533	(332)
Other net revenues /financial costs	(88)	(63)	24	(127)	-	(127)
<b>Profit (loss) before tax</b>	<b>3 252</b>	<b>(1 426)</b>	<b>13</b>	<b>1 839</b>	<b>(581)</b>	<b>1 258</b>
Income tax	17	(439)	(3)	(425)	111	(314)
<b>Net profit (loss) for the financial period</b>	<b>3 269</b>	<b>(1 865)</b>	<b>10</b>	<b>1 414</b>	<b>(470)</b>	<b>944</b>
<b>- including attributable to non-controlling shareholders</b>						<b>(11)</b>

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*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**COMPARATIVE DATA**

Figures as at 01/01/2013-30.09.2013	Continuing activities				Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Total		
<b>Revenues</b>						
Sales to external customers	99 052	9 971	1 382	110 405	-	110 405
Sales between segments	36 046	226	3 549	39 821	(39 821)	-
<b>Total revenues of the segment</b>	<b>135 098</b>	<b>10 197</b>	<b>4 931</b>	<b>150 226</b>	<b>(39 821)</b>	<b>110 405</b>
<b>Profit (loss) of the segment</b>	<b>24 758</b>	<b>2 672</b>	<b>(149)</b>	<b>27 281</b>	<b>(2 392)</b>	<b>24 889</b>
Selling costs	(3 878)	(158)	-	(4 036)	158	(3 878)
Administrative expenses	(6 384)	(2 836)	(380)	(9 600)	-	(9 600)
Other operating revenues/costs	109	2	(17)	94	39	133
<b>Profit (loss) on operating activities</b>	<b>14 605</b>	<b>(320)</b>	<b>(546)</b>	<b>13 739</b>	<b>(2 195)</b>	<b>11 544</b>
Interest revenue	588	34		622	(352)	270
Interest cost	(501)	(584)	(12)	(1 097)	352	(745)
Other net revenues /financial costs	460	(4)	(1)	455	(663)	(208)
<b>Profit (loss) before tax</b>	<b>15 152</b>	<b>(874)</b>	<b>(559)</b>	<b>13 719</b>	<b>(2 858)</b>	<b>10 861</b>
Income tax	(2 746)	-	47	(2 699)	422	(2 277)
<b>Net profit (loss) for the financial period</b>	<b>12 406</b>	<b>(874)</b>	<b>(512)</b>	<b>11 020</b>	<b>(2 436)</b>	<b>8 584</b>
<i>- including attributable to non-controlling shareholders</i>						<b>2</b>

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*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

Figures for the period 01/07/2013-30/09/2013	Continuing activities				Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Total		
<b>Revenues</b>						
Sales to external customers	20 731	6 663	497	27 891	-	27 891
Sales between segments	14 526	57	1 061	15 644	(15 644)	-
<b>Total revenues of the segment</b>	<b>35 257</b>	<b>6 720</b>	<b>1 558</b>	<b>43 535</b>	<b>(15 644)</b>	<b>27 891</b>
<b>Profit (loss) of the segment</b>	<b>5 481</b>	<b>2 877</b>	<b>21</b>	<b>8 379</b>	<b>(2 124)</b>	<b>6 255</b>
Selling costs	(966)	(158)	-	(1 124)	158	(966)
Administrative expenses	(2 114)	(1 668)	(114)	(3 896)	-	(3 896)
Other operating revenues/costs	52	20	(33)	39	-	39
<b>Profit (loss) on operating activities</b>	<b>2 453</b>	<b>1 071</b>	<b>(127)</b>	<b>3 398</b>	<b>(1 966)</b>	<b>1 432</b>
Interest revenue	228	3		230	(168)	62
Interest cost	(225)	(181)	(7)	(413)	168	(245)
Other net revenues /financial costs	(202)	(1)	(1)	(204)	-	(204)
<b>Profit (loss) before tax</b>	<b>2 254</b>	<b>892</b>	<b>(135)</b>	<b>3 011</b>	<b>(1 966)</b>	<b>1 045</b>
Income tax	(346)	-	-	(346)	375	29
<b>Net profit (loss) for the financial period</b>	<b>1 908</b>	<b>892</b>	<b>(135)</b>	<b>2 665</b>	<b>(1 591)</b>	<b>1 074</b>
<i>- including attributable to non-controlling shareholders</i>						<b>(78)</b>

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Figures as at 31.12.2013	Continuing activities				Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Total		
<b>Assets and liabilities</b>						
Segment assets	302 356	107 823	4 448	414 627	(92 013)	322 614
<b>Total assets</b>	<b>302 356</b>	<b>107 823</b>	<b>4 448</b>	<b>414 627</b>	<b>(92 013)</b>	<b>322 614</b>
Segment liabilities	218 299	30 769	3 286	252 354	(49 242)	203 112
Total equity	84 057	77 054	1 162	162 273	(42 771)	119 502
<b>Total liabilities and capital</b>	<b>302 356</b>	<b>107 823</b>	<b>4 448</b>	<b>414 627</b>	<b>(92 013)</b>	<b>322 614</b>
<b>Other information concerning segments for nine months of 2013</b>						
Purchase of fixed assets and intangibles in the period	783	79 443	-	80 226	(2 271)	<b>77 955</b>
Depreciation of property, plant, equipment and intangibles	(1 512)	(1 498)	(219)	(3 229)	66	<b>(3 163)</b>
Total impairment loss as at 31/12/2013	68	68	70	206	(21)	<b>185</b>

\* Including expenditure incurred in 2013 and in the previous years, accepted as fixed assets in 2013: PLN 42,757 k

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**17. Costs and revenues**

**17.1 Sales revenues**

<b>Sales revenues</b>	<b>01/01/2014 -30/09/2014</b>	<b>01/01/2013 -30/09/2013</b>	<b>01/07/2014 -30/09/2014</b>	<b>01/07/2013 30/09/2013</b>
Revenues from the sale of products and services	93 440	110 286	25 544	27 835
Revenues from the sale of goods for resale and materials	251	119	238	55
<b>Total sales revenues</b>	<b>93 691</b>	<b>110 405</b>	<b>25 782</b>	<b>27 890</b>

**17.2 Costs by category**

<b>Costs by category</b>	<b>01/01/2014 -30/09/2014</b>	<b>01/01/2013 -30/09/2013</b>	<b>01/07/2014 -30/09/2014</b>	<b>01/07/2013 -30/09/2013</b>
Depreciation	4 320	1 804	1 431	610
Consumption of materials and energy	25 519	22 814	8 259	7 774
External services	49 659	75 306	22 185	26 568
Taxes and charges	2 351	1 651	509	348
<i>Costs of employee benefits, including:</i>	18 081	15 549	6 795	5 535
- payroll	14 721	12 699	5 562	4 562
- costs of social insurances and other benefits	3 360	2 850	1 233	973
Other costs	2 938	2 647	1 277	746
<b>Total costs by category</b>	<b>102 868</b>	<b>119 771</b>	<b>40 456</b>	<b>41 581</b>
Change in products, work in progress and accruals (+/-)	(12 297)	11 758	(15 765)	(2 718)
Costs of products for the entity's own needs (-)	(2 335)	(33 596)	(678)	(12 533)
Selling costs (-)	(3 183)	(3 878)	(1 132)	(966)
Administrative expenses (-)	(11 925)	(9 600)	(4 283)	(3 896)
Value of goods for resale and materials sold	246	1 061	234	168
<b>Cost of sales</b>	<b>73 374</b>	<b>85 516</b>	<b>18 832</b>	<b>21 636</b>
<b>Total costs of products, goods for resale and materials sold, cost of sales and administrative expenses</b>	<b>88 482</b>	<b>98 994</b>	<b>24 247</b>	<b>26 498</b>

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**18. Income tax**

The main components of the tax burden for the period ended on 30 September 2014 and 30 September 2013 are as follows:

<b>Income tax</b>	<b>01/01/2014 -30/09/2014</b>	<b>01/01/2013 -30/09/2013</b>
<b>Consolidated statement of total income</b>		
<b>Current income tax</b>	<b>2 419</b>	<b>5 206</b>
Current income tax liability	2 271	5 206
Adjustments concerning current income tax from previous years	148	-
<b>Deferred income tax</b>	<b>(1 651)</b>	<b>(2 929)</b>
Relating to the establishment and reversal of temporary differences	(1 651)	(2 929)
<b>Tax liability shown in the consolidated statement of total income</b>	<b>768</b>	<b>2 277</b>



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**19. Earnings per share**

<b>Earnings per share</b>	<b>01/01/2014 -30/09/2014</b>	<b>01/01/2013 -30/09/2013</b>	<b>01/07/2014 -30/09/2014</b>	<b>01/07/2013 -30/09/2013</b>
Net profit (loss) from continuing operations	2 426	8 582	1	1 152
Net profit from discontinued operations	-	-	-	-
<b>Net profit attributable to shareholders in the parent entity</b>	<b>2 426</b>	<b>8 582</b>	<b>1</b>	<b>1 152</b>
<b>Weighted average number of ordinary shares</b>	<b>40 040</b>	<b>40 040</b>	<b>40 040</b>	<b>40 040</b>

<b>Basic earnings per share</b>	<b>01/01/2014 -30/09/2014</b>	<b>01/01/2013 -30/09/2013</b>	<b>01/07/2014 -30/09/2014</b>	<b>01/07/2013 -30/09/2013</b>
Net profit	2 426	8 582	1	1 152
Weighted average number of ordinary shares	40 040	40 040	40 040	40 040
Basic earnings per share (PLN/share)	0,0606	0,2143	0,0000	0,0288

<b>Diluted earnings per share</b>	<b>01/01/2014 -30/09/2014</b>	<b>01/01/2013 -30/09/2013</b>	<b>01/07/2014 -30/09/2014</b>	<b>01/07/2013 -30/09/2013</b>
Net profit attributable to shareholders for diluted earnings per share calculation	2 426	8 582	1	1 152
Adjusted weighted average number of ordinary shares for diluted earnings per share calculation	40 040	40 040	40 040	40 040
Diluted earnings per share (PLN/share)	0.0606	0.2143	0.0000	0.0288

<b>Basic earnings per share from continuing operations</b>	<b>01/01/2014 -30/09/2014</b>	<b>01/01/2013 -30/09/2013</b>	<b>01/07/2014 -30/09/2014</b>	<b>01/07/2013 -30/09/2013</b>
Net profit from continuing operations	2 426	8 582	1	1 152
Weighted average number of ordinary shares	40 040	40 040	40 040	40 040
Basic earnings per share (PLN/share)	0.0606	0.2143	0.0000	0.0288

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<b>Diluted earnings per share from continuing operations</b>	<b>01/01/2014 -30/09/2014</b>	<b>01/01/2013 -30/09/2013</b>	<b>01/07/2014 -30/09/2014</b>	<b>01/07/2013 -30/09/2013</b>
Net profit attributable to Shareholders for the calculation of diluted earnings per share from continuing operations	2 426	8 582	1	1 152
Adjusted weighted average number of ordinary shares for diluted earnings per share calculation	40 040	40 040	40 040	40 040
Diluted earnings per share (PLN/share)	0,0606	0,2143	0,0000	0,0288

**20. Dividends paid and proposed**

<b>Dividends paid and proposed</b>	<b>01/01/2014 -30/09/2014</b>	<b>01/01/2013 -30/09/2013</b>
Declared and paid dividends for ordinary shares:	<b>4 042</b>	<b>133</b>
- dividend proposed and paid to the parent entity's shareholders from profit for 2013	4 004	-
- dividend proposed and paid to the non-controlling shareholders from profit for 2013	38	-
- dividend proposed and paid to the non-controlling shareholders from profit for 2012	-	133
<b>Total</b>	<b>4 042</b>	<b>133</b>
Dividend paid to non-controlling shareholders	215	764
Remuneration in relation to the redemption of shares in P.B. Domesta Sp. z o. o.	-	600
<b>Total dividends and other payments to owners</b>	<b>4 257</b>	<b>1 497</b>

**30/09/2014**

In conformity with the resolution of the Ordinary General Assembly of Inpro SA on the division of the Company's net profit for the period from 1 January 2013 to 31 December 2013, the part of the profit in the amount of PLN 4,004 k i.e. PLN 0.10 per share was paid as a dividend to the shareholders of Inpro

Based on resolution No. 10/2014 of 26/06/2014, the General Meeting of a subsidiary, PB Domesta Sp. z o.o., made a decision on the payment of the dividend in the amount of PLN 470 k from profit for 2013

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**30/09/2013**

In conformity with the resolution of the Ordinary General Assembly of Inpro SA of 19/06/2013 on the division of the Company's net profit for the period from 1 January 2012 to 31 December 2012 all the Company's net profit in the amount of PLN 17,467 k was allocated to the Company's supplementary capital.

Based on resolution No. 8/2013 of 28/06/2013, the General Meeting of a subsidiary, PB Domesta Sp. z o.o., made a decision on the payment of the dividend in the amount of PLN 1,560 k.

**21. Property, plant and equipment**

<b>Balance sheet totals</b>	<b>30/09/2014</b>	<b>31/12/2013</b>	<b>Change from Jan. to Sept. 2014</b>
<b>1. Fixed assets</b>	<b>95 898</b>	<b>98 680</b>	<b>(2 782)</b>
a) land (including the perpetual usufruct right)	5 047	5 035	12
b) buildings, premises and civil and hydraulic engineering structures	73 288	73 886	(598)
c) machinery and equipment	11 419	12 590	(1 171)
d) motor vehicles	2 585	3 003	(418)
e) other fixed assets	3 559	4 166	(607)
<b>2. Fixed assets under construction</b>	<b>1 817</b>	<b>403</b>	<b>1 414</b>
<b>Total property, plant and equipment</b>	<b>97 715</b>	<b>99 083</b>	<b>1 368</b>

The balance sheet value of property, plant and equipment in the first nine months decreased by PLN 1.368 k. That was mainly due to depreciation charges made. There was no material liquidation of fixed assets in the reporting period.

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

## 22. Inventory

<b>Inventory</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
Materials (at the acquisition price)	756	531
Commodities (at the acquisition price)	104 235	50 328
Work in progress (at cost of manufacture)	22 310	63 990
Finished goods (at the acquisition price/ cost of manufacture)	81 174	85 740
<b>Total inventory at the lower of two values: the acquisition price (cost of manufacture) and net realisable value</b>	<b>208 475</b>	<b>200 589</b>

<b>Obsolescence allowances on inventory</b>	<b>01/01/2014 -30/09/2014</b>	<b>01/01/2013 -31/12/2013</b>
<b>Obsolescence allowances on inventory as at the beginning of the period</b>	<b>10</b>	<b>10</b>
Obsolescence allowance made	-	-
Obsolescence allowance reversed	-	-
<b>Obsolescence allowances on inventory as at the end of the period</b>	<b>10</b>	<b>10</b>

In the reporting period the Company did not reverse or create the inventory revaluation deduction. Mortgages to secure existing and future claims and ordinary mortgages to secure credit repayment are established on inventory (land in perpetual usufruct recorded in goods for resale). Details of securities: see note 29 in additional information.

There was no inventory valued as at the net selling price as at 30/09/2014 or as at 31/12/2013.

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**23. Trade and other receivables**

	<b>30/09/2014</b>	<b>31/12/2013</b>
<b>Receivables from related entities</b>	<b>26</b>	<b>12</b>
Trade receivables	26	12
<b>Receivables from other entities</b>	<b>8 143</b>	<b>6 291</b>
Gross trade receivables	4 929	1 358
State budget receivables other than current income tax	2 442	4 115
Advances on inventory	688	768
Advances on fixed assets	-	4
Other non-financial liabilities	84	46
<b>Gross receivables</b>	<b>8 169</b>	<b>6 303</b>
<b>Valuation allowance for receivables</b>	<b>(140)</b>	<b>(137)</b>
<b>Short-term prepayments, including:</b>	<b>845</b>	<b>673</b>
- subscription cost	6	13
- software, domains, licences	55	17
- cost of insurances	103	195
- payments under the remaining lease agreements	-	10
- rent	9	2
- advertisements	15	15
- payments for perpetual usufruct	201	-
- other prepaid expenses	456	421
<b>Total receivables (net)</b>	<b>8 874</b>	<b>6 839</b>

**24. Cash**

The balance of cash and cash equivalents shown in the consolidated statement of the financial position and in the consolidated cash flow statement consisted of the following items as at 30/09/2014:

<b>Cash</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
Cash at bank and in hand	12 948	6 118
Cash on long-term bank	13 019	1 000
<b>Total cash and cash equivalents</b>	<b>25 967</b>	<b>7 118</b>

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	<b>30/09/2014</b>	<b>31/12/2013</b>
Cash in PLN	25 967	7 118
<b>Total cash and cash equivalents</b>	<b>25 967</b>	<b>7 118</b>

The fair value of cash and cash equivalents as at 30/09/2014 is 25,967 k zlotys (31/12/2013: 7,118 k zlotys).

As at 30/09/2014 the Group had unused credit (working capital credits for property development projects and overdraft facilities) in the amount of 58.332 k zlotys (31/12/2013: 32,210 k zlotys), which funds will be used as the construction works progress.

**24.1 Explanation to the cash flow statement for the period 01/01/2014 – 30/09/2014**

<b>I.p.</b>	<b>Nazwa pozycji</b>	<b>Change in the period 01.01.2014 -30.09.2014</b>
1.	Balance sheet change in provisions	(1 245)
2.	Change in provisions in the cash flow statement	(413)
3.	Difference	832
4.	Explanation of the difference:	832
-	change in provisions in relation to CIT	832
1.	Balance sheet change in prepayments	(569)
2.	Change in prepayments in the cash flow statement	105
3.	Difference	674
4.	Explanation of the difference:	674
-	change in prepayments in relation to CIT	674
1.	Balance sheet change in net long and short-term receivables	(2 042)
2.	Change in receivables in the cash flow statement	(1 863)
3.	Difference	179
4.	Explanation of the difference:	179
-	change in receivables in relation to CIT	179
1.	Balance sheet change in short and long-term liabilities	45 572
2.	Change in short-term liabilities in the cash flow statement	14 238
3.	Difference	(31 334)
4.	Explanation of the difference:	(31 334)
-	change in short and long-term loans and credits	(21 804)
-	change in liabilities in relation to CIT	(6)
-	change in liabilities in relation to finance lease	562

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

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-	change in liabilities in relation to the acquisition of fixed assets, fixed assets under construction and intangibles	4 678
-	change of advances on separate revenue accounts	(14 974)
-	change of liabilities in relation to the issue of securities representing no right to equity	210
1.	Balance sheet change in inventory	(7 886)
2.	Change in inventory in the cash flow statement	(8 423)
3.	Difference	(537)
4.	Explanation of the difference:	(537)
-	transfer of inventory to fixed assets	(537)

**25. Establishing asset revaluation deductions and their reversal**

<b>01/01/2014 - 30/09/2014</b>	Property, plant and equipment	Value of receivables	Value of inventory	<b>Total revaluation deductions</b>
<b>Status as at the beginning of the period</b>	<b>38</b>	<b>137</b>	<b>10</b>	<b>185</b>
Establishment of revaluation deductions	-	4	-	<b>4</b>
Reversal of revaluation deductions	-	(1)	-	<b>(1)</b>
<b>Status as at the end of the period</b>	<b>38</b>	<b>140</b>	<b>10</b>	<b>188</b>

<b>01/01/2013 -31/12/2013</b>	Property, plant and equipment	Value of receivables	Value of inventory	<b>Total revaluation deductions</b>
<b>Status as at the beginning of the period</b>	<b>38</b>	<b>189</b>	<b>10</b>	<b>237</b>
Establishment of revaluation deductions	-	1	-	<b>1</b>
Reversal of revaluation deductions	-	(53)	-	<b>(53)</b>
<b>Status as at the end of the period</b>	<b>38</b>	<b>137</b>	<b>10</b>	<b>185</b>

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

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**26. Share capital**

As at:	30/09/2014	31/12/2013
<b>Registered share capital</b>	4 004	4 004

SHARE CAPITAL AS AT 30/09/2014 AND 31/12/2013 IN PLN						
Series	Kind of shares	Kind of privilege on the shares	Kind of restriction of the right to shares	Number of shares	Nominal value of one share in PLN	Value of the series/issue with reference to the nominal value in PLN
A	ordinary	none	none	30 030 000	0.10	3 003 000
B	ordinary	none	none	10 010 000	0.10	1 001 000
<b>Total</b>				<b>40 040 000</b>		<b>4 004 000</b>

**27. Non-controlling shares**

Non-controlling shares	01/01/2014 -30/09/2014	01/01/2013 -31/12/2013
<b>At the beginning of the period</b>	<b>10 259</b>	<b>11 719</b>
Redemption of shares at PB Domesta Sp. Z o.o.	-	(871)
Dividend payment	(215)	(764)
Contribution to the result of the current period	368	175
<b>At the end of the period</b>	<b>10 412</b>	<b>10 259</b>

**28. Rezerwy**

01/01/2014 -30/09/2014	Benefits after the employment period	Provision for contentious issues, penalties, fines and damages	Provision for guarantees and sureties given	Other provisions	<b>Total provisions</b>
<b>Status as at the beginning of the period</b>	<b>252</b>	<b>38</b>	<b>99</b>	<b>1 500</b>	<b>1 889</b>
Increase (+)	31	-	-	328	<b>359</b>
Decrease (-)	(2)	(5)	(22)	(744)	<b>(773)</b>
<b>Status as at the end of the period</b>	<b>281</b>	<b>33</b>	<b>77</b>	<b>1 084</b>	<b>1 475</b>



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<b>01/01/2013 -31/12/2013</b>	Benefits after the employment period	Provision for contentious issues, penalties, fines and damages	Provision for guarantees and sureties given	Other provisions	<b>Total provisions</b>
<b>Status as at the beginning of the period</b>	<b>233</b>	<b>60</b>	<b>173</b>	<b>1 356</b>	<b>1 822</b>
Increase (+)	40	16	99	1 391	<b>1 546</b>
Decrease (-)	(21)	(38)	(173)	(1 247)	<b>(1 479)</b>
<b>Status as at the end of the period</b>	<b>252</b>	<b>38</b>	<b>99</b>	<b>1 500</b>	<b>1 889</b>

<b>Time structure of provisions</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
Long-term part	281	252
Short-term part	1 194	1 637
<b>Total provisions</b>	<b>1 475</b>	<b>1 889</b>

**29. Interest-bearing bank credits, loans, issued bonds and liabilities relating to finance lease**

<b>Long-term financial liabilities</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
Loans and credits	46 550	40 146
Long-term bonds	-	19 600
Liabilities relating to finance lease and lease agreements with a purchase option	141	308
<b>Total</b>	<b>46 691</b>	<b>60 054</b>

<b>Short-term financial liabilities</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
Loans and credits	20 289	4 889
Short-term bonds	19 997	607
Liabilities relating to finance lease and lease agreements with a purchase option	235	629
<b>Total</b>	<b>40 521</b>	<b>6 125</b>

On 6/8/2013, INPRO SA signed a bond issue agreement for coupon bearer bonds without a document form with Bank Gospodarki Żywnościowej SA with its registered office in Warsaw. The agreement lays down the rules for the issue of up to 2,000 bonds of the nominal value of PLN 10 k each, with the 2-year maturity deadline fixed for 14 August 2015.

The total maximum value of the issue as specified in the agreement is PLN 20,000 k.

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On 20/01/2014, two thousand series A bonds of the nominal value of PLN 20,000 k, issued by INPRO SA on 14/08/2013 on the basis of the agreement with Bank Gospodarki Żywnościowej SA of 06/08/2013, were introduced into the alternative trading system on the Catalyst. The first day of quotation was set for 24/01/2014.

The issue of the bonds was described in current report No. 36/2013 of 14/08/2013.

There were no cases of violation of credit agreements in the periods covered by these financial statements.

As at 30/09/2014 and 31/12/2013, the Group had the following credits:

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**Value of liabilities in relation to credits as at 30/09/2014**

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Securities – mortgage			Financing party
					Ordinary	Object	Location	
PKO BP	PLN	25 474	0	31.12.2016	mortgage up to the sum of 38,211 k	GD1G/00064314/3 SR Gdańsk Pn	Gdańsk, ul. Chmielna 73	blank promissory note, security assignment, claim deduction from bank account clause
PKO BP	PLN	22 500	9 414	17.03.2016	mortgage up to the sum of 33,750 k	GD1G/00087942/1 SR Gdańsk Pn	Gdańsk, ul. Olsztyńska	blank promissory note, security assignment, claim deduction from bank account clause
Alior Bank SA	PLN	4 300	3 464	06.02.2017	mortgage up to the sum of 6,450 k	GD1G/00261401/1 SR Gdańsk Pn	Gdańsk, ul. Rzeczypospolitej	power of attorney to accounts, silent assignment of claims from the sale agreements regarding single-family houses, stages D and H
Alior Bank SA	PLN	8 200	4 244	28.04.2017	mortgage up to the sum of 12,300 k on INPRO's share	GD1G/00084697/7 SR Gdańsk Pn	Gdańsk, ul. Szeroka	transfer of monetary claims in relation to the sale of premises, power of attorney to accounts, transfer of claims under insurance, notarised power of attorney to sell the premises credited in the case of the lack of payment
Alior Bank SA	PLN	10 000	2 461	18.09.2016	joint real estate mortgage up to the sum of PLN 15,000 k	GD1G/00260693/7 i GD1G/00256721/2 GD1G/00257490/0	Gdańsk, ul. Jasiońska	power of attorney to accounts, power of attorney to accounts and to sell real estate if credit is not repaid, security assignment, silent assignment of claims from preliminary sale agreements
SGB-Bank SA	PLN	9 500	9 500	31.12.2015	mortgage up to the sum of 12,350 k	GD1G/00150959/6	Gdańsk, ul. Jasiońska	blank promissory note, security assignment, claim deduction from bank account clause

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Konsorcjum SGB-Bank SA Bank Spółdzielczy w Tczewie	PLN	11 000	2 164	30.09.2016	two mortgages up to PLN 9,350 k each	GD1G/00150959/6	Gdańsk, ul. Jasieńska	security assignment, 2 blank promissory notes, power of attorney to accounts, assignment of rights from claims from the current account
Konsorcjum BPS SA Bank Spółdzielczy w Kwidzynie	PLN	15 000	5 564	30.09.2016	contractual mortgage up to PLN 25,500 k	GD1G/00145988/0	Gdańsk, ul. Rzeczypospolitej	assignment of future claims under agreements for the sale of premises, blocking of funds at the auxiliary account, security assignment, power of attorney to accounts, 2 blank promissory notes, statement on subjection to enforcement
PKO BP	PLN	36 214 kredyt inwestycyjny	30 028	31.12.2027	mortgage up to the sum of 54,321 k	OL1M/00025679/2*, OL1M/00026392/3 SR Mrągowo	The island and peninsula at Lake Mikołajskie	Inpro's sponsor statement, power of attorney to accounts, transfer of claims under apartment lease agreements, registered pledge on the shares in Hotel Mikołajki, blank promissory note, security assignment
<b>Razem zobowiązania kredytowe</b>			<b>66 839</b>					

\*this mortgage also comprises land and mortgage registers of the premises segregated from land and mortgage register No. OL1M/00025679/2, that is registers with the following numbers: OL1M/00037334/9, OL1M/00037335/6, OL1M/00037336/3, OL1M/00037337/0, OL1M/00037481/4, OL1M/00037338/7, OL1M/00037339/4

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**Open credit lines as at 30/09/2014**

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Securities			
					Ordinary	Object	Location	Other securities
PEKAO S.A.	PLN	500	-	28.05.2015	not applicable	not applicable	not applicable	registered pledge on hotel equipment of the net book value of PLN 716 k, blank promissory note, security assignment, power of attorney to accounts, letter of support by INPRO SA
PEKAO S.A.	PLN	1 000	-	31.12.2014r.	contractual mortgage up to PLN 2,000 k	Land and mortgage register GD1G/00215282/3	Gd. Jasień, plot No. 251/6	blank promissory note

-

**Credits repaid as at the balance sheet date, in relation to which mortgages as at 30/09/2014 have not been struck out yet**

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Zabezpieczenia- hipoteka			Other securities
					Ordinary	Object	Location	
BNP PARIBAS	PLN	125	-	26.08.2014	mortgage securing existing and future claims up to the sum of PLN 611 k	Land and mortgage register DG1G/00091255/9, Gdańsk-North District Court	land in perpetual usufruct in Kolbudy, ul. Przemysłowa	blank promissory note, security assignment

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**Liabilities of the INPRO SA Capital Group in relation to credits as at 31/12/2013**

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Securities – mortgage			Other securities
					Ordinary	Object	Location	
PKO BP	PLN	6 000	2 400	31/07/2014*	mortgage up to the sum of PLN 9,000 k	GD1G/00064314/3 Gdansk-North District Court	Gdańsk, ul. Chmielna 73	blank promissory note, joint real estate mortgage
PKO BP	PLN	22 500	-	17/03/2016	mortgage up to the sum of PLN 33,750 k	GD1G/00087942/1 Gdansk-North District Court	Gdańsk, ul. Olsztyńska	blank promissory note, mortgage
PKO BP	PLN	20 000	3 618	31/12/2015	mortgage up to the sum of PLN 30,000 k on the share of INPRO	GD1G/00084697/7 Gdansk-North District Court	Gdańsk, ul. Szeroka	blank promissory note, security assignment, blocking of funds on the separate revenue account, mortgage
Alior Bank SA	PLN	10 000	6 199	18/09/2016	joint real estate mortgage up to the sum of PLN 15,000 k	GD1G/00260693/7, GD1G/00256721/2, GD1G/00257490/0	Gdańsk, ul. Jasieńska	power of attorney to accounts and to sell real estate if credit is not repaid
SGB Bank SA	PLN	9 500	1 090	31/12/2015	contractual mortgage up to PLN 12,350 k	GD1G/00150959/6	Gdańsk, ul. Jasieńska	power of attorney to accounts and to sell real estate if credit is not repaid
BPS SA	PLN	15 000	-	30/06/2014	mortgage up to the sum of PLN 25,000 k	GD1G/00255051/7, GD1G/0225052/4, DG1G/00145988/0, DG1G/00255042/1, DG1G/00255053/1, DG1G/00255054/8	Gdańsk, ul. Rzeczypospolitej	blank promissory note, mortgage
PKO BP	PLN	32 548	31 728	31/12/2027	mortgage up to the sum of PLN 54,321 k	OL1M/00025679/2, OL1M/00026392/3 Mrągowo District Court	The island and peninsula at Lake Mikołajskie	registered pledge on the shares in Hotel Mikołajki, blank promissory note, joint real estate mortgage
<b>Total credit liabilities</b>			<b>45 035</b>					

\*the credit was repaid in full before the deadline on 23/01/2014

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**Open credit lines as at 31/12/2013**

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Securities			
					Mortgage	Object	Location	Other
BNP PARIBAS	PLN	300	-	26/02/2014	mortgage securing existing or future claims up to the sum of PLN 611 k	Land and mortgage register DG1G/00091255/9, Gdańsk-North District Court (fixed assets)	land in perpetual usufruct in Kolbudy, ul. Przemysłowa	blank promissory note, security assignment
BANK PEKAO S.A., Branch in GDAŃSK, ul. Ogarna 116	PLN	1 000	-	Overdraft facility 31/12/2014	PLN 2,000 k	Land and mortgage register GD1G/00215282/3 (current assets)	Gdańsk Jasień, plot No. 251/6	blank promissory note
-								

**Credits repaid as at the balance sheet date, in relation to which mortgages as at 31/12/2013 have not been struck out yet**

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Securities			Other securities
					Mortgage	Object	Location	
PKO BP	PLN	4 500 k revolving working capital credit	-	31/08/2013	mortgage up to the sum of PLN 6,750 k	OL1M/00025679/2, OL1M/00026392/3 SR Mrągowo (fixed assets)	The island and peninsula at Lake Mikołajskie	registered pledge on the shares in Hotel Mikołajki, blank promissory note
BPS SA	PLN	878	-	31/03/2013		OL1M/00030807/7	Mikołajki, ul. Leśna	blank promissory note

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**30. Liabilities relating to finance lease agreements and lease agreement with a purchase option**

<b>Nominal value of minimum lease payments</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
Within 1 year	235	629
Within 1 to 3 years	141	308
<b>Total liabilities relating to finance lease - minimum total lease payments</b>	<b>376</b>	<b>937</b>

As at the balance sheet date, the Group had the following liabilities relating to lease agreements:



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*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**30/09/2014**

<b>Financing party</b>	<b>Object of the agreement</b>	<b>Agreement number</b>	<b>Initial value in thousands of PLN</b>	<b>Date of termination of the agreement</b>	<b>Liability as at the end of the period</b>	<b>Short-term part</b>	<b>Long-term part</b>
<b>Inpro SA</b>							
BGŻ Leasing Spółka z o.o.	Two Liebherr 71 EC-B 5 tower cranes	3859/10/BG	573	2015-12-15	129	103	26
Caterpillar Financial Service Poland Sp. z o.o.	428 F digger-loader	OL-026954	242	2016-08-31	132	66	66
<b>Dom Zdrojowy Sp. z o.o.</b>							
PSA Finance	CITROEN C4 car	nr 9300578182	45	2015-02-29	5	5	-
PSA Finance	CITROEN C5 car	nr 9400296552	80	2014-12-31	4	4	-
<b>Hotel Mikołajki Sp. z o.o.</b>							
PKO leasing SA	CITROEN C5 car	B/O/OL/2013/02/0008	92	2016-02-15	35	23	12
PKO leasing SA	CITROEN JUMPER car	L/O/OL/2013/05/0009	77	2016-07-15	36	18	18
PKO leasing SA	Two Melex vehicles	B/O/OL/2013/08/0003	72	2016-08-15	35	16	19
					<b>376</b>	<b>235</b>	<b>141</b>

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**31/12/2013**

<b>Financing party</b>	<b>Object of the agreement</b>	<b>Agreement number</b>	<b>Initial value in thousands of PLN</b>	<b>Date of termination of the agreement</b>	<b>Liability as at the end of the period</b>	<b>Short-term part</b>	<b>Long-term part</b>
<b>Inpro SA</b>							
BGŻ Leasing Spółka z o.o.	Two Liebherr 71 EC-B 5 tower cranes	3859/10/BG	573	15/12/2015	206	103	103
Caterpillar Financial Services Poland Sp. z o.o.	428 F digger-loader	OL-026954	242	31/08/2016	178	63	115
<b>Dom Zdrojowy Sp. z o.o.</b>							
Bankowy Fundusz Leasingowy SA	MERIDIAN yacht	C/GD/2008/07/206	1 139	25/06/2014	378	378	-
PSA Finance	CITROEN C4 car	9300578182	45	29/02/2015	13	11	2
PSA Finance	CITROEN C5 car	9400296552	80	31/12/2014	17	17	-
<b>Hotel Mikołajki Sp. z o.o.</b>							
PKO Leasing SA	CITROEN JUMPER car	L/O/OL/2013/05/0009	77	15/07/2016	51	23	28
PKO Leasing SA	Two Melex vehicles	B/O/OL/2013/08/0003	72	15/08/2016	47	18	29
PKO Leasing SA	CITROEN C5 car	B/O/OL/2013/02/0008	92	15/02/2016	47	16	31
					<b>937</b>	<b>629</b>	<b>308</b>

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**31. Trade and other liabilities**

<b>Long-term liabilities</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
<b>Towards related entities</b>	<b>165</b>	<b>130</b>
trade liabilities	165	130
<b>Towards other entities</b>	<b>1 919</b>	<b>1 932</b>
trade liabilities	1 919	1 922
other liabilities	-	10
<b>Total trade and other long-term liabilities</b>	<b>2 084</b>	<b>2 062</b>
<b>Short-term liabilities</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
<b>Towards related entities</b>	<b>1 351</b>	<b>987</b>
trade liabilities	1 351	987
<b>Towards other entities</b>	<b>71 561</b>	<b>47 414</b>
trade liabilities	13 827	14 884
payroll payable	797	625
state budget liabilities other than current income tax	1 255	1 021
advances received	55 510	30 687
other liabilities	172	197
<b>Total trade and other short -term liabilities</b>	<b>72 912</b>	<b>48 401</b>
<b>Total trade and other liabilities</b>	<b>74 996</b>	<b>50 463</b>

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*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**32. Contingent and other off-balance sheet items**

<b>Contingent receivables</b>	<b>30.09.2014</b>	<b>31.12.2013</b>
Guarantees received	203	89
<b>Total contingent receivables</b>	<b>203</b>	<b>89</b>

**Moreover, the following contingent liabilities existed within the Capital Group:**

**As at 30/09/2014:**

**1.** Dom Zdrojowy – a contractual real estate mortgage up to PLN 30,000 k established on the Hotel SPA in Jastarnia, ul. Kościuszki 2a, land and mortgage register KW GD2W/00040638/7, for the mortgage administrator, Hogan Lovells (Warsaw) LPP (a limited liability partnership), Branch Office in Poland, as a security for issue of bonds by the issuer, INPRO SA, to secure the bond holders' claims. The bonds were placed on the ASO Catalyst (Bond Spot) market on 24/01/2014, the interim depository being Bank Gospodarki Żywnościowej SA. The issue date is 14/08/2013, and the buyout date 14/08/2015.

**2.** Unconditional agreement for granting by INPRO SA of subordinate loans to Hotel Mikołajki Sp. z o.o. to cover additional costs, if any, of the project in excess of those specified in the business plan submitted to PKO BP and to repay credits awarded by that Bank. Surety for the investment credit under agreement No. 59 1020 1811 0000 0796 0048 7611 in the amount of PLN 36,214 k of 05/09/2011. (credit obtained by Hotel Mikołajki Sp. z o.o.)

**As at 31/12/2013:**

**1.** Dom Zdrojowy – a contractual real estate mortgage up to PLN 30,000 k established on the Hotel SPA in Jastarnia, ul. Kościuszki 2a, land and mortgage register KW GD2W/00040638/7, for the mortgage administrator, Hogan Lovells (Warsaw) LPP (a limited liability partnership), Branch Office in Poland, as a security for issue of bonds by the issuer, INPRO SA, to secure the bond holders' claims; the interim depository is Bank Gospodarki Żywnościowej SA; the bonds will be traded on the target basis on the ASO Catalyst (BondSpot) market, the issue date being 14/08/2013, and the buyout date 14/08/2015.

**2.** Unconditional subordinate loan enhancement agreement for Hotel Mikołajki sp. z o.o. to cover additional costs, if any, of the project in excess of those specified in the business plan submitted to PKO BP and to repay credits awarded by that Bank. Surety for investment credit under agreement No. 59 1020 1811 0000 0796 0048 7611 in the amount of PLN 36,214 k of 5 September 2011. (The credit was obtained by Hotel Mikołajki Sp. z o.o.).

**3.** The undertaking by INPRO SA to grant a subordinate loan in the amount of PLN 440 k by 31/3/2014 as a security for investment credit granted by PKO BP SA under agreement No. 59 1020 1811 0000 0796 0048 7611 in the amount of PLN 36,214 k of 05/09/2014. (credit obtained by Hotel Mikołajki Sp. z o.o.).

In the period of nine months ended on 30/09/2014, the Group's companies did not give sureties for credits or loans, neither did those companies grant guarantees jointly to one entity or subsidiary, where

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

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the value of sureties or guarantees would be material for the Group or constitute at least 10% of the Company's equity.

**Securities established by Group companies as at 30/09/2014**

**\* Securities on fixed assets**

1. A mortgage securing existing and future claims in the amount of PLN 611 k established on land in perpetual usufruct in Kolbudy, ul. Przemysłowa (land and mortgage register No. GD1G/00091255/9, the Gdańsk-North District Court, Kolbudy Górne) to secure an overdraft facility
2. A joint contractual real estate mortgage in the amount of PLN 54,321 k established on real estate situated in Mikołajki (land and mortgage registers No. OL1M/00026392/3 and KW OL1M/00025679/2) for Powszechna Kasa Oszczędności Bank Polski S.A. the Regional Corporate Branch Office in Gdańsk, in relation to credit granted to Hotel Mikołajki Sp. z o.o.
3. Registered pledges on INPRO's shares in Hotel Mikołajki Sp. z o.o. for the total amount of PLN 15,780 k (as a security for investment loan in the amount of PLN 36,214 k, 05/09/2011).
4. A contractual real estate mortgage up to PLN 30,000 k established on the ownership title to premises with the 56.820/100.000 share in the joint ownership of the real estate from which the premises were separated, such real estate situated in Jastarnia, ul. Kościuszki 2A (land and mortgage register GD2W/00040638/7) for Hogan Lovells (Warszawa) LPP (a partnership) as a security for 2,000 bearer bonds of the nominal value of PLN 10 k each, issued by INPRO SA on 14/08/2013

**\*\* Securities on current assets**

The schedule of mortgages established on current assets as at 30 September 2014 in the total amount of PLN 162,261 k is included in note No. 29 of additional information.

**Securities established by Group companies as at 31/12/2013**

**\* Securities on fixed assets**

1. A mortgage securing existing and future claims in the amount of PLN 611 k established on land in perpetual usufruct in Kolbudy, ul. Przemysłowa (land and mortgage register No. GD1G/00091255/9, the Gdańsk-North District Court, Kolbudy Górne) to secure an overdraft facility
2. A mortgage up to PLN 2,000 k established on plot No. 251/6 located in Gdańsk Jasień – land and mortgage register No. GD1G/00215282/3 to secure overdraft facility.
3. A joint contractual real estate mortgage in the amount of PLN 54,321 k established on real estate situated in Mikołajki (land and mortgage registers No. OL1M/00026392/3 and KW OL1M/00025679/2) for Powszechna Kasa Oszczędności Bank Polski S.A. the Regional Corporate Branch Office in Gdańsk, in relation to credit granted to Hotel Mikołajki Sp. z o.o.
4. Registered pledges on the shares of INPRO in Dom Zdrojowy Sp. z o.o. and Hotel Mikołajki Sp. z o.o. described in detail in note No. 34.6 "Credit risk" in the total amount of PLN 20,330 k
5. A contractual real estate mortgage up to PLN 30,000 k established on the ownership title to premises with the 56.820/100.000 share in the joint ownership of the real estate from which the premises were separated, such real estate situated in Jastarnia, ul. Kościuszki 2A (land and mortgage register GD2W/00040638/7) for Hogan Lovells (Warszawa) LPP (a partnership) as a security for 2,000 bearer bonds of the nominal value of PLN 10 k each, issued by INPRO SA on 14/08/2013.

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*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**\*\* Securities on current assets**

The schedule of mortgages established on current assets as at 31 December 2013 in the total amount of PLN 125,100 k is included in note No. 29 of additional information.

**33. Significant court cases**

As at 30/09/2014, none of the following occurred:

- a) a single case of proceedings before a court, a body competent for arbitration proceedings or a public administrative body, such proceedings concerning the Company's or subsidiaries' claims or liabilities, whose value would be at least 10% of the Company's equity;
- b) two or more cases of proceedings before a court, a body competent for arbitration proceedings or a public administrative body, such proceedings concerning the claims and liabilities, whose total value would be at least 10% of the Company's equity.

The proceedings to which the Parent Company or its subsidiaries are a party do not have significant influence on the Group's activity.

**34. Financial instruments**

The fair value of the financial instruments held by the Group as at 30 September 2014 and 31 December 2013 did not differ considerably from the figures presented in the consolidated financial statements for the particular periods for the following reasons:

- a discounting effect, if any, in relation to short-term instruments is not significant;
- those instruments concern the transactions effected on market conditions.

<b>Financial assets</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
Trade and other receivables	8 874	6 839
Short term financial assets	17 633	2 661
Cash and cash equivalents	25 967	7 118
	<b>52 474</b>	<b>16 618</b>
<b>Financial liabilities</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
Long-term loans and bank credits	46 550	40 146
Short-term loans and bank credits	20 289	4 889
Trade and other liabilities	74 996	50 463
Debt instrument liabilities (long-term)	-	19 600
Debt instrument liabilities (short-term)	19 997	607
Other long-term financial liabilities (lease)	141	308
Other short-term financial liabilities (lease)	235	629
<b>Total financial liabilities valued at the amortised cost</b>	<b>162 208</b>	<b>116 642</b>

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**35. Transactions with related entities**

SHORT-TERM RECEIVABLES/LIABILITIES AT 30/09/2014		DEBTOR								
		other related entities				other related entities				
		Inpro SA	Rugby Prefabrykaty Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Isa Sp. z o.o.	Inpro Management s.c.	Członkowie Zarządu
CREDITOR	related entities	Inpro SA	588			8 314		10		
	Rugby Prefabrykaty Sp. z o.o.	532			102					
	Dom Zdrojowy Sp. z o.o.								15	
	P.B. Domesta Sp. z o.o.									
	Hotel Mikołajki Sp. z o.o.			3					1	
	<b>TOTAL for related entities</b>					<b>9 539</b>				<b>26</b>
	other related entities	Hotel Oliwski Sp. z o.o.			1					
	Isa Sp. z o.o.	1 011			132					
	Inpro Management s.c.									
	Członkowie Zarządu			193		14				
<b>TOTAL for other related entities</b>					<b>1 351</b>				<b>-</b>	

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*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

LONG-TERM RECEIVABLES/LIABILITIES as at 30/09/2014		DEBTOR								
		other related entities					pozostałe jednostki powiązane			
		Inpro SA	Rugby Prefabrykaty Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Isa Sp. z o.o.	Inpro Management s.c.	Członkowie Zarządu
CREDITOR	related entities	Inpro SA				428				
	Rugby Prefabrykaty Sp. z o.o.	2								
	Dom Zdrojowy Sp. z o.o.									
	P.B. Domesta Sp. z o.o.									
	Hotel Mikołajki Sp. z o.o.									
	TOTAL for related entities					<b>430</b>				-
	other related entities	Hotel Oliwski Sp. z o.o.								
	Isa Sp. z o.o.	165								
	Inpro Management s.c.									
	Członkowie Zarządu									
TOTAL for other related entities					<b>165</b>				-	



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*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

REVENUES / COSTS 01/01/2014-30/09/2014		DEBTOR								
		other related entities					other related entities			
		Inpro SA	Rugby Prefabrykaty Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Isa Sp. z o.o.	Inpro Management s.c.	Członkowie Zarządu
CREDITOR	related entities	Inpro SA	240		2	1 564	1	54	2	
	Rugby Prefabrykaty Sp. z o.o.	3 846			562					
	Dom Zdrojowy Sp. z o.o.	47				5	3		50	
	P.B. Domesta Sp. z o.o.									
	Hotel Mikołajki Sp. z o.o.	2		12					65	
	TOTAL for related entities				<b>6 280</b>				<b>175</b>	
	other related entities	Hotel Oliwski Sp. z o.o.	3		11					
	Isa Sp. z o.o.	4 523								
	Inpro Management s.c.	1 505								
	Członkowie Zarządu			221		87				
TOTAL for other related entities				<b>6 350</b>				<b>-</b>		

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*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

REVENUES / COSTS 01/07/2014-30/09/2014		DEBTOR									
		other related entities					pozostałe jednostki powiązane				
		Inpro SA	Rugby Prefabrykaty Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Isa Sp. z o.o.	Inpro Management s.c.	Członkowie Zarządu	
CREDITOR	related entities	Inpro SA	237		1	489	1	27	1		
	Rugby Prefabrykaty Sp. z o.o.	1 699			142						
	Dom Zdrojowy Sp. z o.o.									18	
	P.B. Domesta Sp. z o.o.										
	Hotel Mikołajki Sp. z o.o.			8						10	
	TOTAL for related entities				<b>2 576</b>					<b>57</b>	
	other related entities	Hotel Oliwski Sp. z o.o.	3								
	Isa Sp. z o.o.	2 101									
	Inpro Management s.c.	605									
	Członkowie Zarządu			160		58					
TOTAL for other related entities				<b>2 927</b>			-				

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**COMPARATIVE DATA**

SHORT-TERM RECEIVABLES/LIABILITIES AT 31/12/2013		DEBTOR									
		other related entities					other related entities				
		Inpro SA	Rugby Prefabrykaty Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Isa Sp. z o.o.	Inpro Management s.c.	Członkowie Zarządu	
CREDITOR	related entities	Inpro SA				20 094		1			
	Rugby Prefabrykaty Sp. z o.o.	362									
	Dom Zdrojowy Sp. z o.o.					2			6		
	P.B. Domesta Sp. z o.o.										
	Hotel Mikołajki Sp. z o.o.	25							3		
	TOTAL for related entities					<b>20 481</b>				<b>12</b>	
	other related entities	Hotel Oliwski Sp. z o.o.		1							
	Isa Sp. z o.o.	926			42						
	Inpro Management s.c.										
	Członkowie Zarządu			18							
TOTAL for other related entities					<b>987</b>				<b>-</b>		

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LONG-TERM RECEIVABLES/LIABILITIES as at 31/12/2013		DEBTOR									
		other related entities					pozostałe jednostki powiązane				
		Inpro SA	Rugby Prefabrykaty Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Isa Sp. z o.o.	Inpro Management s.c.	Członkowie Zarządu	
CREDITOR	related entities	Inpro SA				419		1			
		Rugby Prefabrykaty Sp. z o.o.	29								
		Dom Zdrojowy Sp. z o.o.									
		P.B. Domesta Sp. z o.o.									
		Hotel Mikołajki Sp. z o.o.									
	TOTAL for related entities					<b>448</b>				<b>1</b>	
	other related entities	Hotel Oliwski Sp. z o.o.									
		Isa Sp. z o.o.	130								
		Inpro Management s.c.									
		Członkowie Zarządu									
TOTAL for other related entities					<b>130</b>				<b>-</b>		

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

REVENUES / COSTS 01/01/2013-30/09/2013		DEBTOR									
		other related entities					other related entities				
		Inpro SA	Rugby Prefabrykaty Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Isa Sp. z o.o.	Inpro Management Sp.c.	Członkowie Zarządu	
CREDITOR	related entities	Inpro SA	59	3 762		32 226	14	63	2		
	Rugby Prefabrykaty Sp. z o.o.	3 175			374						
	Dom Zdrojowy Sp. z o.o.	226				6			46		
	P.B. Domesta Sp. z o.o.										
	Hotel Mikołajki Sp. z o.o.										
	TOTAL for related entities					<b>39 822</b>				<b>131</b>	
	other related entities	Hotel Oliwski Sp. z o.o.	3	10							
	Isa Sp. z o.o.	5 353			156						
	Inpro Management Sp. c.	1 350									
	Członkowie Zarządu			231							
TOTAL for other related entities					<b>7 103</b>				<b>-</b>		

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*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

REVENUES / COSTS 01/07/2013-30/09/2013		DEBTOR									
		other related entities					other related entities				
		Inpro SA	Rugby Prefabrykaty Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Isa Sp. z o.o.	Inpro Management Sp. c.	Członkowie Zarządu	
CREDITOR	related entities	Inpro SA	8	2		14 517		13	1		
		Rugby Prefabrykaty Sp. z o.o.	955			106					
		Dom Zdrojowy Sp. z o.o.	57				5			18	
		P.B. Domesta Sp. z o.o.									
		Hotel Mikołajki Sp. z o.o.									
		<b>TOTAL for related entities</b>				<b>15 645</b>				<b>37</b>	
CREDITOR	other related entities	Hotel Oliwski Sp. z o.o.		4							
		Isa Sp. z o.o.	1 303			16					
		Inpro Management Sp. c.	450								
		Członkowie Zarządu		162							
		<b>TOTAL for other related entities</b>				<b>1 935</b>				<b>-</b>	

The data in the table concerning the sales by Rugby Prefabrykaty Sp. z o.o. to INPRO SA and PB Domesta Sp. z o.o. on were presented by long-term contracts.

<b>Sales of Rugby Prefabrykaty as per invoices</b>	<b>01/01/2014 -30/09/2014</b>	<b>01/01/2013 -30/09/2013</b>	<b>01/07/2014 -30/09/2014</b>	<b>01/07/2013 -30/09/2013</b>
Buyer: Inpro SA	3 766	3 327	1 622	948
Buyer: P.B. Domesta Sp. z o.o.	592	463	154	110
	<b>4 358</b>	<b>3 790</b>	<b>1 776</b>	<b>1 058</b>

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*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

All the transactions by the Company or its subsidiaries with related entities were entered into on market conditions.

<b>Loans granted by Inpro SA</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
<b>To related entities:</b>		
Dom Zdrojowy Sp. z o.o.	7 092	8 192
Hotel Mikołajki Sp. z o.o.	26 216	12 147
Rugby Prefabrykaty Sp. z o.o.	302	-
<b>Total loans granted to related entities</b>	<b>33 610</b>	<b>20 339</b>

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*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

## CONDENSED FINANCIAL DATA OF INPRO SA

### STATEMENT OF TOTAL INCOME FOR NINE MONTHS ENDED ON 30 SEPTEMBER 2014

	Completed nine months		Completed three months	
	30/09/2014 (unaudited)	30/09/2013 (unaudited)	30/09/2014 (unaudited)	30/09/2013 (unaudited)
<b>Continuing operations</b>				
Sales revenues	59 118	127 107	11 987	33 396
Cost of sales	(50 150)	(104 234)	(10 229)	(28 360)
<b>Gross profit (loss) on sales</b>	<b>8 968</b>	<b>22 873</b>	<b>1 758</b>	<b>5 036</b>
Selling costs	(2 438)	(3 794)	(743)	(939)
Administrative expenses	(5 384)	(4 978)	(1 722)	(1 682)
Other operating revenues	251	231	19	96
Other operating costs	(135)	(124)	(54)	(43)
<b>Profit (loss) on operating activities</b>	<b>1 262</b>	<b>14 208</b>	<b>(742)</b>	<b>2 468</b>
Financial revenues	1 236	1 192	403	209
Financial costs	(733)	(697)	(253)	(425)
<b>Gross profit (loss)</b>	<b>1 765</b>	<b>14 703</b>	<b>(592)</b>	<b>2 252</b>
Income tax	(285)	(2 658)	66	(392)
<b>Net profit (loss) from continuing operations</b>	<b>1 480</b>	<b>12 045</b>	<b>(526)</b>	<b>1 860</b>
<b>TOTAL INCOME</b>	<b>1 480</b>	<b>12 045</b>	<b>(526)</b>	<b>1 860</b>



**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**STATEMENT OF THE FINANCIAL POSITION FOR THE PERIOD ENDED ON 30 SEPTEMBER 2014**

<b>ASSETS</b>	<b>Note</b>	<b>30/09/2014 (unaudited)</b>	<b>31/12/2013 (audited)</b>
<b>Fixed (long-term) assets</b>		<b>88 836</b>	<b>76 840</b>
Property, plant and equipment		5 884	6 786
Other intangibles		70	79
Other financial assets		82 875	69 951
Long-term accruals		7	24
<b>Current (short-term) assets</b>		<b>236 611</b>	<b>205 902</b>
Inventory	<b>1</b>	186 761	174 819
Trade and other receivables	<b>2</b>	14 909	22 127
Current income tax assets		178	-
Other financial assets, including loans allowed		18 956	3 974
Cash and cash equivalents		15 807	4 982
<b>TOTAL ASSETS</b>		<b>325 447</b>	<b>282 742</b>

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**STATEMENT OF THE FINANCIAL POSITION FOR THE PERIOD ENDED ON 30 SEPTEMBER 2014 (CONTINUED)**

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>30/09/2014 (unaudited)</b>	<b>31/12/2013 (audited)</b>
<b>Equity</b>		<b>197 469</b>	<b>199 993</b>
Issued share capital		4 004	4 004
Reserves		534	534
Retained profits		192 931	195 455
<b>Long-term liabilities</b>		<b>21 916</b>	<b>34 938</b>
Retirement benefit liabilities (a provision)		185	154
Deferred income tax provision		784	2 228
Long-term credits and bank borrowings	<b>3</b>	18 788	10 684
Debt instrument liabilities	<b>3</b>	-	19 600
Other financial liabilities (lease)	<b>3</b>	91	218
Trade and other liabilities	<b>4</b>	2 068	2 054
<b>Short-term liabilities</b>		<b>106 062</b>	<b>47 811</b>
Short-term provisions		1 063	1 242
Credits and borrowings	<b>3</b>	18 023	2 623
Debt instrument liabilities	<b>3</b>	19 997	607
Other financial liabilities (lease)	<b>3</b>	169	166
Current income tax liabilities		285	10
Trade and other liabilities	<b>4</b>	66 525	43 163
<b>Total liabilities</b>		<b>127 978</b>	<b>82 749</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>325 447</b>	<b>282 742</b>

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30 SEPTEMBER 2014**

<b>Cash flows from operating activities</b>	<b>01/01/2014 -30/09/2014 (unaudited)</b>	<b>01/01/2013 -30/09/2013 (unaudited)</b>
Net profit/(loss)	1 480	12 045
<b>Adjustments:</b>	<b>3 203</b>	<b>(20 148)</b>
Depreciation	1 041	995
Income tax disclosed in the statement of total income	285	2 659
Income tax paid	(1 917)	(5 268)
Net interest and dividends	(348)	(318)
Profit/(loss) on investing activities	(20)	(42)
(Increase)/ decrease of receivables	7 327	(12 288)
(Increase)/ decrease of inventory	(11 942)	5 332
Increase/ (decrease) of liabilities	9 013	(10 593)
Increase/ (decrease) of accrued/prepaid expenses	(88)	(219)
Change in provisions	(148)	(518)
<b>Net cash flows from operating activities</b>	<b>4 683</b>	<b>(8 103)</b>
<b>Cash flows from investing activities</b>	<b>01/01/2014 -30/09/2014</b>	<b>01/01/2013 -30/09/2013</b>
Sale of property, plant, equipment and intangibles	70	9
Proceeds in relation to loans obtained	1 340	-
Dividends from related entities	217	663
Proceeds from the sale of financial assets	-	750
Acquisition of financial assets	()	(4 537)
Acquisition of property, plant, equipment and intangibles	(171)	(333)
Expenses in relation to loans allowed to related entities	(13 765)	(11 760)
<b>Net cash flows from investing activities</b>	<b>(12 309)</b>	<b>(15 208)</b>

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30 SEPTEMBER 2013  
(CONTINUED)**

	<b>01/01/2014 -30/09/2014</b>	<b>01/01/2013 -30/09/2013</b>
<b>Cash flow from financing activities</b>		
Issue of debt instruments (bonds)	-	19 600
Proceeds in relation to loans/credits obtained	38 054	40 753
Payments in relation to finance lease agreements	(125)	(836)
Repayment of loans/credits	(14 550)	(30 293)
Interest paid	(924)	(493)
Dividends paid	(4 004)	-
<b>Cash flow from financing activities</b>	<b>18 451</b>	<b>28 731</b>
<b>Net change in cash and cash equivalents</b>	<b>10 825</b>	<b>5 420</b>
<b>Cash at the beginning of the period</b>	<b>4 982</b>	<b>8 727</b>
<b>Cash at the end of the period</b>	<b>15 807</b>	<b>14 147</b>

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**STATEMENT OF THE CHANGES IN EQUITY FOR THE PERIOD ENDED ON 30 SEPTEMBER 2014**

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Total
<b>As at 01/01/2014</b>	<b>4 004</b>	<b>62 237</b>	<b>534</b>	<b>133 218</b>	<b>199 993</b>
Dividend payment	-	-	-	(4 004)	(4 004)
Net profit (loss) for the financial year	-	-	-	1 480	1 480
<b>As at 30/09/2014</b>	<b>4 004</b>	<b>62 237</b>	<b>534</b>	<b>130 694</b>	<b>197 469</b>

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Total
<b>As at 01/01/2013</b>	<b>4 004</b>	<b>62 237</b>	<b>534</b>	<b>117 675</b>	<b>184 450</b>
Net profit (loss) for the financial year	-	-	-	12 045	<b>12 045</b>
<b>As at 30/09/2013</b>	<b>4 004</b>	<b>62 237</b>	<b>534</b>	<b>129 719</b>	<b>196 495</b>

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**1. Inventory**

<b>Inventory</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
Materials (at the acquisition price)	69	60
Work in progress (at cost of manufacture)	96 346	44 012
Finished products at the cost of manufacture	17 180	53 369
Commodities (at the acquisition price)	73 166	77 378
<b>Total</b>	<b>186 761</b>	<b>174 819</b>

**2. Trade and other receivables**

	<b>30/09/2014</b>	<b>31/12/2013</b>
<b>Receivables from related entities</b>	<b>9 346</b>	<b>20 514</b>
Trade receivables	9 341	20 514
Other receivables	5	-
<b>Receivables from other entities</b>	<b>5 379</b>	<b>1 536</b>
Gross value of trade receivables	3 355	593
Receivables from the budget other than current income tax	1 294	301
Advances on inventory	688	605
Other non-financial liabilities	42	37
<b>Total gross receivables</b>	<b>14 725</b>	<b>22 050</b>
<b>Valuation allowances for receivables</b>	<b>(67)</b>	<b>(68)</b>
<b>Short-term prepayments, including:</b>	<b>251</b>	<b>145</b>
- subscription cost	3	1
- software, domains, licences	6	13
- cost of insurances	65	118
- advertisements	7	2
- payments for perpetual usufruct	152	-
- other prepaid expenses	18	11
<b>Total receivables (net)</b>	<b>14 909</b>	<b>22 127</b>

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**3. Interest-bearing bank credits, loans, issued bonds and liabilities relating to finance lease**

<b>Long-term financial liabilities</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
Liabilities relating to finance lease and contracts of lease with a purchase option	91	218
Loans and credits	18 788	10 684
Long-term bonds	-	19 600
<b>Total</b>	<b>18 879</b>	<b>30 502</b>

<b>Short-term financial liabilities</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
Liabilities relating to finance lease and contracts of lease with a purchase option	169	166
Loans and credits	18 023	2 623
Short-term bonds	19 997	607
<b>Total</b>	<b>38 189</b>	<b>3 396</b>

<b>Nominal value of minimum lease payments</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
Within 1 year	169	166
Within 1 to 3 years	91	218
<b>Total liabilities related to finance lease - total minimum lease payments</b>	<b>260</b>	<b>385</b>

On 14/8/2013 coupon bearer bonds were issued without a document form. On the basis of the agreement signed with Bank Gospodarki Żywnościowej SA there were 2,000 bonds of the nominal value of PLN 10,000 each, with the maturity time of 2 years issued. The total maximum value of the issue is PLN 20,000,000. The issue of the bonds was described in current report No. 36/2013 of 14/8/2013.

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2014**

*(unless indicated otherwise, all amounts have been given in thousands of zlotys)*

**4. Trade and other liabilities**

<b>Long-term liabilities</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
<b>Towards related entities</b>	<b>167</b>	<b>160</b>
Trade liabilities	167	160
<b>Towards other entities</b>	<b>1 901</b>	<b>1 894</b>
Trade liabilities	1 901	1 894
<b>Total trade and other long-term liabilities</b>	<b>2 068</b>	<b>2 054</b>

<b>Towards related entities</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
<b>Towards related entities</b>	<b>1 543</b>	<b>1 373</b>
Trade liabilities	1 543	1 313
Other non-financial liabilities	-	60
<b>Towards other entities</b>	<b>65 266</b>	<b>41 790</b>
Trade liabilities	11 173	12 992
Payroll payable	190	248
State budget liabilities other than current income tax	437	476
Advances received	53 417	27 990
Other liabilities	49	84
<b>Total trade and other short -term liabilities</b>	<b>66 809</b>	<b>43 163</b>
<b>Total trade and other liabilities</b>	<b>68 877</b>	<b>45 217</b>

Gdańsk, 14/11/2014